Manitoba

Annual Report 1990-91

Finance

92-03980/

Minister of
Finance

Room 103
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

To His Honour
George Johnson
Lieutenant-Governor of Manitoba

May It Please Your Honour:

I have the privilege of presenting, for the information of Your Honour, the Annual Report of Manitoba Finance for the fiscal year ended March 31, 1991.

Respectfully submitted,

Clayton Manness

Clayton Manness
Minister of Finance

Manitoba

Deputy Minister of Finance

Room 109
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8
(204) 945-3754

The Honourable Clayton Manness
Minister of Finance

Dear Mr. Minister:

I have the honour of presenting herewith the 1990-91 Annual Report of Manitoba Finance.

During the past year the Department was again involved in a number of initiatives to improve efficiency and effectiveness of government operations and to enhance accountability. These included:

- investigation into a government-wide Integrated Financial Information System (IFIS).
- participation in planning, purchase and installation of a $4 million Legislative Building Information System and its subsequent maintenance.
- commencement of a government-wide review of the Internal Audit function, together with establishment of an Internal Audit function within the Department.
- participation on the Steering Committee for Project S.E.R.V.I.C.E., a multi-dimensional management reform initiative of the Department of Labour.
- participation on a working committee to identify a financial management model for each of the Community Colleges under incorporated board governance.
- responding to concerns identified by the Provincial Auditor relative to Departments and Agencies of Government, and providing specialized consultative and problem resolution services.

The Taxation Division continued its reorganization from a statute based to a function based structure, to combine like functions for all taxing statutes. The new structure, which was in place by March 31, 1991, will better utilize existing resources and improve operating efficiency. It will also better serve Manitoba taxpayers and tax collectors.

Respectfully submitted,

Charles E. Curtis
Deputy Minister of Finance

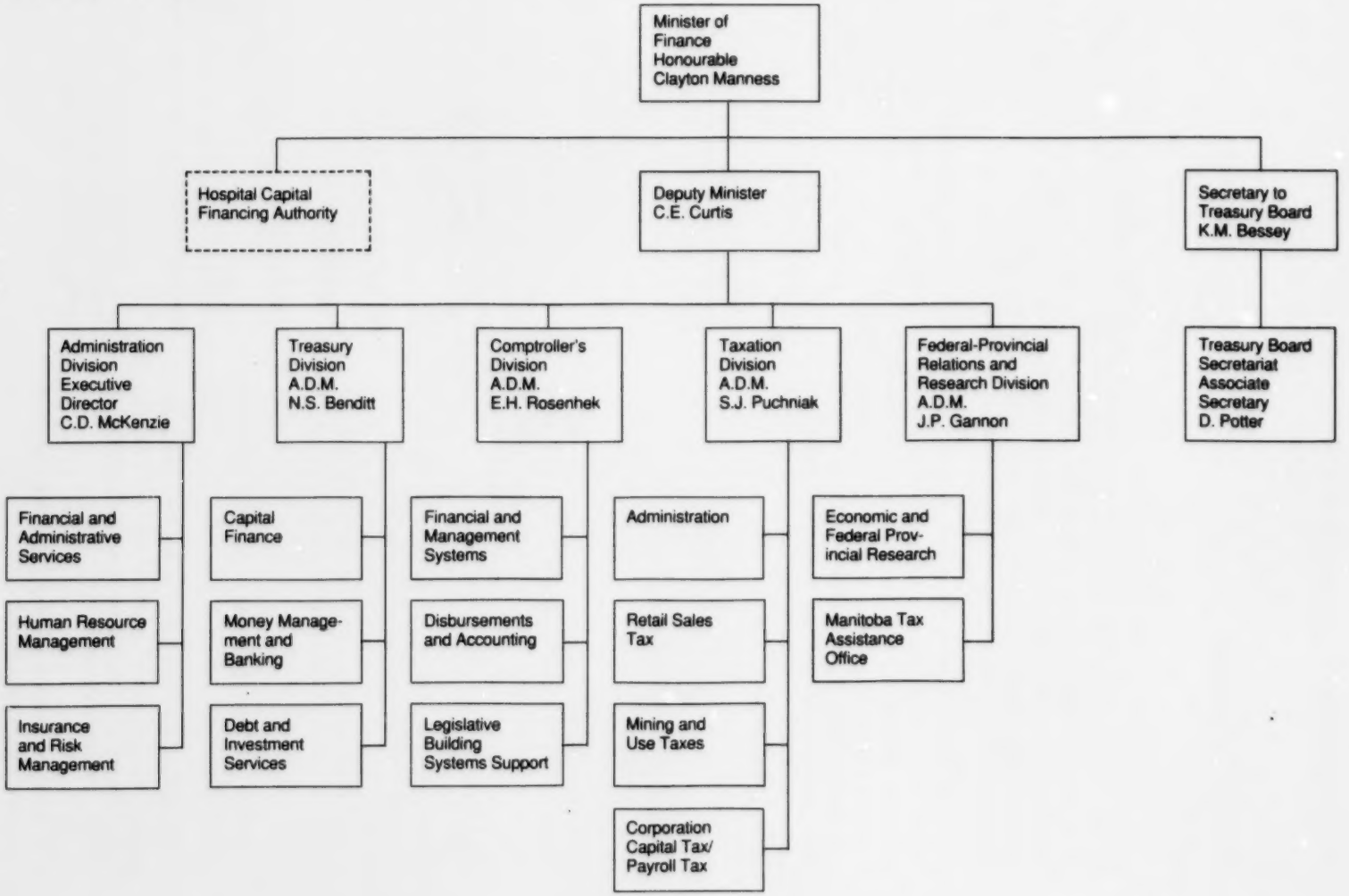
TABLE OF CONTENTS

TITLE	PAGE
Minister's Letter of Transmittal	3
Deputy Minister's Letter of Transmittal	5
Table of Contents	7
Organization Chart	9
Preface/Introduction	10
Organization of the Report	10
Department's Role and Mission	10
Overview	10
Statutes Responsibility - Minister of Finance	11
Administration and Finance	12
Minister's Salary	12
Executive Support	12
Administration Division	12
Financial and Administrative Services	13
Internal Audit	13
Human Resource Management	14
Insurance and Risk Management	17
Treasury Division	20
Administration	20
Capital Finance	20
Money Management and Banking	22
Debt and Investment Services	23
Public Debt	24
Comptroller's Division	26
Financial and Management Systems	26
Disbursements and Accounting	28
Information Systems Support	29
Taxation Division	30
Administration	31
Retail Sales Tax	31
Mining and Use Taxes	33
Corporation Capital Tax/Payroll Tax	35
Comparative Statement of Revenues	37
Federal-Provincial Relations and Research Division	38
Intergovernmental Fiscal Analysis	38
Economic and Fiscal Analysis	39
Taxation Policy Analysis	39
Administrative Unit	39
Revenue from Federal-Provincial Fiscal Arrangements	40

TITLE	PAGE
Treasury Board Secretariat	41
Administrative Support Services	41
Fiscal Planning Office	41
Analytical Units	42
Administrative Policy Office	42
Program Review Office	42
Information Technology Review Office	43
Tax Credit Payments	43
Expenditures Related to Capital	44
Unbudgeted Statutory Payments	44
Financial Information Section	45
Departmental Reconciliation Table	45
Expenditure Summary by Appropriation	46
Revenue Summary by Source	53
Five Year Expenditure and Staffing Summary	60

ORGANIZATION CHART - MANITOBA FINANCE

As at March 31, 1991


Minister of Finance Honourable Clayton Manness
Hospital Capital Financing Authority
Deputy Minister C.E. Curtis
Secretary to Treasury Board K.M. Bessey
Administration Division Executive Director C.D. McKenzie
Treasury Division A.D.M. N.S. Benditt
Comptroller's Division A.D.M. E.H. Rosenhek
Taxation Division A.D.M. S.J. Puchniak
Federal-Provincial Relations and Research Division A.D.M. J.P. Gannon
Treasury Board Secretariat Associate Secretary D. Potter
Financial and Administrative Services
Human Resource Management
Insurance and Risk Management
Capital Finance
Money Management and Banking
Debt and Investment Services
Financial and Management Systems
Disbursements and Accounting
Legislative Building Systems Support
Administration
Retail Sales Tax
Mining and Use Taxes
Corporation Capital Tax/ Payroll Tax
Economic and Federal Provincial Research
Manitoba Tax Assistance Office

PREFACE/INTRODUCTION

Report Structure

This Annual Report is organized in accordance with the Department of Finance appropriation structure, as set out in the Main Estimates of Expenditure of the Province of Manitoba for the fiscal year ending March 31, 1991, with exception of the Insurance and Risk Management Branch and Public Debt which are included within the Divisions which are responsible for their administration. The Report includes information at the Main and Sub-Appropriation levels related to the department's objectives, actual results achieved, financial performance and variances and provides a five-year historical table giving the departmental expenditures and staffing. In addition, expenditure and revenue variance explanations previously contained in the Public Accounts are now provided in the Annual Report.

ROLE AND MISSION

The Minister of Finance is Vice Chairman of Treasury Board, and through the Department, manages the Consolidated Fund and directs the financial affairs of the Province. The overall responsibilities of the Minister and the Department include:

- Providing policy direction on matters relating to financial management and administration

- Analyzing and appraising the economic situation and prospects in Manitoba in cooperation with other Ministries as appropriate

- Advising on fiscal and other economic policies and measures

- Managing the requirements of the Province within appropriate fiscal and administrative policies, by action related to expenditures, lending, taxation, borrowing and cash management

- Advising on policies relating to Federal-Provincial fiscal and economic relations

- Representing the Province in negotiations and participating in meetings related to finance, taxation and economic development

- Maintaining the Provincial accounting and financial reporting systems

- Providing direction to Government for the appropriate and effective use of information systems technology

- Providing insurance and risk management services to all Government Departments, Agencies and certain Crown Corporations.

OVERVIEW

Manitoba Finance was established in 1969. Prior to then, two departments, the Comptroller-General and the Treasury, both functioned under The Treasury Act. The Comptroller-General became the Provincial Auditor operating under The Provincial Auditor's Act and the Treasury became the Department of Finance, operating under The Financial Administration Act.

During the period covered by this report - April 1, 1990 to March 31, 1991 - the Department was comprised of five operating divisions:

- Administration

- Treasury

- Comptroller's

- Taxation

- Federal-Provincial Relations and Research

and a Treasury Board Secretariat, headed by a Secretary to Treasury Board, reporting to the Premier as Chairman of Treasury Board.

STATUTES RESPONSIBILITY
MINISTER OF FINANCE

	CONTINUING CONSOLIDATION CHAPTER
The Corporation Capital Tax Act	C 226
The Crown Corporations Public Review and Accountability Act	C 336
The Energy Rate Stabilization Act	E 115
The Farmers Emergency Grants Act (S.M. 1971, c.4)	-
The Financial Administration Act	F 55
The Fire Insurance Reserve Fund Act	F 70
The Fiscal Stabilization Fund Act	F 85
The Gasoline Tax Act	G 40
The Health and Post Secondary Education Tax Levy Act	H 24
The Homeowners Tax and Insulation Assistance Act (Parts I to IV and Section 1 and Part VI as they relate to subjects covered under Parts I to IV)	H 75
The Hospital Capital Financing Authority Act	H 125
The Income Tax Act	I 10
The Manitoba Telephone System Debt Adjustment Act, 1955 (S.M. 1955, c. 77)	-
The Mining Claim Tax Act	M 165
The Mining Tax Act	M 195
The Motive Fuel Tax Act	M 220
The Pari-Mutuel Tax Act	P 12
The Public Officers Act	P 230
The Retail Sales Tax Act	R 130
The Revenue Act	R 150
The Succession Duty Act (S.M. 1988-89, C. 42)	-
The Suitors' Moneys Act	S 220
The Provincial - Municipal Tax Sharing Act	T 5
The Taxation Agreement Act, 1957 (S.M. 1957, c. 70)	-
The Special Employment Program Act, 1977 (S.M. 1957, c. 70)	-
The Tobacco Tax Act	T 80
The Treasury Branches Act	T 155

As Per Schedule "I" of Order-in-Council No. 107/91.

During 1990/91 The Fiscal Stabilization Fund Act was added.

ADMINISTRATION AND FINANCE

Minister's Salary

Required to provide the Minister of Finance with the additional compensation to which an individual appointed to the Executive Council is entitled.

Executive Support

Comprises all support staff in the Office of the Minister of Finance together with the Deputy Minister and his support staff for a total of seven staff years.

The purpose of the Executive Support function is to advise the Minister on all policy and program matters related to the Department, to coordinate and administer the activities of the Department to meet government policy objectives and to provide administrative support for the Offices of the Minister and Deputy Minister.

07-1 Administration and Finance

Expenditures by Sub-Appropriation		Actual 1990/91 $	Estimate 1990/91 SY	Estimate 1990/91 $	Variance Over (Under)	Expl. No.
(a)	Minister's Salary	20,500	1.00	20,600	(100)	
(b)	Executive Support Total Salaries	316,500	7.00	309,500	7,000	
	Total Other Expenditures	83,300		107,700	(24,400)	

ADMINISTRATION DIVISION

The Administration Division is comprised of three Branches and is responsible for providing central management and administrative support services to the Department including financial and accounting services and human resource management services. Insurance and risk management services are provided to all Government Departments, Agencies and certain Crown Corporations.

The three Branches:

- Financial and Administrative Services
- Human Resource Management
- Insurance and Risk Management

Financial and Administrative Services Branch

This Branch, with a staff of nine, performs all the accounting, financial, budgeting and general administrative services for the Department. The Branch processes all Departmental expenditures and revenues in accordance with Legislative, Departmental and Treasury Board requirements. It advises senior management and divisional staff on all policies relating to the financial records of the Department and in the preparation of all financial reports. This includes all payments to suppliers of goods and services and the initiation of input to the Government's central computerized accounting systems. It is responsible for the propriety, accuracy and completeness of accounting and financial information and the summarizing of related statistical information.

The budgetary function includes the coordination of comprehensive fiscal budget support services to the Departmental divisions. This consists of the preparation and presentation of the Department's annual budget estimates, ongoing budget analysis, cash flow statements, the monitoring of expenditures and revenues and the provision of related reports to Departmental management and Treasury Board.

Administrative functions include management of the Departmental vehicle fleet, parking, coordination and acquisition of telephone and other communication requirements, monitoring Departmental purchasing activities and assisting with the management of Departmental programs and administrative space requirements. This Branch also is responsible for coordinating the response to all requests for Departmental information associated with the Freedom of Information Act.

Internal Audit

Internal Audit was established in June 1990 to provide the Deputy Minister and Departmental management with a review and appraisal of all departmental operations. All financial, managerial and operational systems are subject to objective and independent audits. The scope of the audits covers assessments of compliance with Departmental and Government policies, directives, legal and regulatory requirements; reviews of the adequacy and effectiveness of internal controls, management reporting systems, and asset protection; and assessments of the effective and economic use of Departmental resources.

In 1990/91 the Departmental Internal Audit Policy and Mandate was developed and approved. As requested by the Taxation Division, Internal Audit provided assistance and guidance with the significant reorganization of the Division. The assistance was ongoing during the year and resulted in a delay in the development of the Department's initial long term and annual audit plan.

1(c) Financial and Administrative Services

Expenditures by Sub-Appropriation	Actual 1990/91 $	Estimate 1990/91 SY	Estimate 1990/91 $	Variance Over (Under)	Expl. No.
Total Salaries	319,200	9.00	343,400	(24,200)	
Total Other Expenditures	20,900		34,800	(13,900)	

HUMAN RESOURCE MANAGEMENT BRANCH

The Human Resource Management Branch, with a staff of five, exists for the purpose of providing managers and staff of the Department of Finance and Treasury Board Secretariat with effective and efficient human resource management programs and services as may be required to achieve their stated goals and objectives.

During 1990-91, the Branch held 24 competitions resulting in 46 appointments. These competitions generated the receiving and processing of a total of 761 applications, and interviewing of 141 candidates.

The Branch continued to act as the Affirmative Action Coordinator for the Department. Affirmative Action Statistics for the 1990/91 year are as follows:

Competition Statistics (April 1990 to March 1991)

Total Appointments Through Competition	46	
Male	30	65.22%
Female	16	34.78%
Native	0	0%
Disabled	1	2.17%
Visible Minority	1	2.17%

New Employee Appointment Statistics (April 1990 to March 1991) (Includes all term and entry level appointments, as well as those new employees appointed through competition).

Total Appointments	75	
Male	40	53.33%
Female	35	46.67%
Native	0	0%
Disabled	2	2.67%
Visible Minority	7	9.33%

The Department's Affirmative Action Statistics as at fiscal year ends are as follows:

	1987-88		1988-89		1989-90		1990-91	
	Target (%)	Actual (%)	Target (%)	Actual (%)	Target (%)	Actual (%)	Target (%)	Actual (%)
Native	2.0	0.7	3.0	0.7	5.0	1.2	5.0	1.2
Women	20.0	52.8	35.0	51.4	40.0	52.6	40.0	52.7
Physically Disabled	2.0	3.4	3.0	4.7	5.0	4.3	5.0	4.4
Visible Minority	2.0	6.1	3.0	5.9	4.0	5.9	5.0	6.1

Payroll and Benefits

The Branch maintained and administered the payroll, employee records and associated benefits for a 1990/91 staff year complement of 415.42 regular and 19.22 term positions.

As of January 1, 1991 the Branch assumed responsibility for administration of the payroll, employee records and benefits for the Civil Service Commission, with a staff year complement of 101.42 regular positions.

Employee Records

Several enhancements continued to be made to both computerized and manual employees record keeping systems, thus providing more accurate and up-do-date records for both management and employees.

Delegation

In preparation for delegation of job classification from the Civil Service Commission to departments, Branch staff participated in a two day job Classification Allocation Workshop.

Taxation Reorganization

The Branch Director continued to act as a member of the Steering Committee for the Taxation Division's reorganization. This major reorganization, based on a "functional" rather than a "Statute-based" structure, involved the review and classification of approximately 200 positions. The process is continuing.

Organization and Staff Development

Two Branch employees continued to participate in the Civil Service Commission's Seconded Trainers Program.

Workplace, Safety and Health

The Branch also acted as the facilitator for the Department's Workplace, Safety and Health Committee. Five meetings were held in 1990/91 to deal with related matters.

Policy Updates

Revised procedures were developed and circulated to conform to changing staffing guidelines throughout the year.

Staff Development

As part of our Staff Development Plan, two Branch staff were seconded to a more senior position for a period of fifteen months due to the absence of the Director, who was also on secondment to a Crown Corporation.

Performance Management Revisions

Deferred due to staffing changes.

Series Reviews

Branch staff participated in the Financial Officer Series Review, and in the review of restructuring of the Taxation Division

Computerization of Payroll & Staff Records

Computerization of payroll and staff records is an ongoing process which will take several years to complete due to budget restraints and the need for terminals for all Branch staff.

Seconded Trainers Program

Participation was limited during this fiscal year due to restructuring of the delivery system within the Civil Service Commission. Branch staff will continue to be made available to meet requests.

Affirmative Action

No strategic plan for native recruitment was developed due to staff changes and a planned restructuring of the Affirmative Action Committee.

Decade of the Disabled

There were no new departmental initiatives required during this period.

1(d) Human Resource Management

Expenditures by Sub-Appropriation	Actual 1990/91 $	Estimate 1990/91 SY	Estimate 1990/91 $	Variance Over (Under)	Expl. No.
Total Salaries	156,400	5.00	161,300	(4,900)	
Total Other Expenditures	19,500		21,800	(2,300)	

INSURANCE AND RISK MANAGEMENT BRANCH

The Insurance and Risk Management Branch serves a centralized government function providing Insurance and Risk Management services to approximately 60 departments and Agencies, including most Crown Corporations. The Branch assists in identifying and evaluating risk exposures, and provides advice on appropriate measures to reduce and control risks, in order to reduce the cost of accidental losses to the Province. The Branch also administers the Province's risk financing and claims administration programs.

Risk Identification and Evaluation

The Insurance and Risk Management Branch worked with departments, Agencies and Crown Corporations to identify and assess risk exposures associated with their activities. Branch personnel conducted a security survey of the Department of Finance, inspected the Department of Highways and Transportation Mechanical Equipment Services garage, as well as carrying out site inspections of the Hadashville Tree Nursery, Birds Hill Park, the Headingley Correctional Facility, and several other government buildings.

Consultants were used to conduct risk assessments of the Legislative Building, Red River Community College and several Manitoba Housing and Renewal Properties.

The Insurance and Risk Management Branch worked extensively with the Department of Natural Resources Risk Management Steering Committee to identify and evaluate risks, including liability concerns associated with dams and water control structures, departmental and public tree cutting operations, pond aeration projects, public tours and Provincial Park facilities.

Numerous risk evaluations were conducted including Directors and Officers liability for Agencies and Crown Corporations, the Self Managed Care Project for the Department of Health, and the use of out-of-country consultants by Industry, Trade and Tourism.

Risk Control

Personnel from the Branch participated in numerous presentations in order to promote risk management and risk control measures. These included presentations to Manitoba Housing and Renewal Corporation personnel regarding mortgage impairment exposures and loss prevention measures for public housing projects.

The Insurance and Risk Management Branch provided advice on risk control measures to departments, Agencies and Crown Corporations that resulted in numerous improvements being implemented. These included security improvements within the Department of Finance, and improved property protection for the Mechanical Equipment Services, Department of Highways and Transportation.

Loss prevention recommendations were made for all risk assessments conducted by Branch personnel, including recommendations for storage of inmates' property at Headingley Correctional Institution, and water damage prevention at 1181 Portage Avenue. Branch personnel reviewed numerous accident details and overall incident statistics, and provided resulting loss prevention recommendations to appropriate operational and management personnel.

Risk Transfer

The Insurance and Risk Management Branch reviewed over 100 contracts for insurance and indemnity provisions, working with the Department of Justice to ensure appropriate transfer of risk on government contracts. Contracts that were reviewed included waste hauling and disposal contracts for the Manitoba Hazardous Waste Management Corporation, commercial leases in Provincial Parks, construction projects for Government Services and Manitoba Housing and Renewal Corporation, consultant contracts for Industry, Trade and Tourism, and Government Services purchase contracts.

The Branch initiated a request for insurance policy endorsements to reduce the possibility of subrogation actions against the Province and the Manitoba Health Services Commission, by insurers of health care facilities in Manitoba.

The Branch also provided guidelines for Proof of Insurance requirements and provided Certificates of Insurance on behalf of departments and Agencies.

Risk Financing

The Insurance and Risk Management Branch administers insurance purchasing on behalf of Government departments and Agencies. Insurance premiums paid during the 1990/91 fiscal year exceeded $1.6 million including premiums paid by Agencies. This represented an increase of approximately 6% over the year previous. This increase was due to general price increases in the insurance industry, as well as the shift of the liability coverage to commercial insurers.

Improvements in coverages were achieved in several policies, with higher coverage limits for aircraft liability, general liability and accidental death coverages.

The 1990/91 year witnessed the start of the Province of Manitoba Risk Management Consortium, which consists of five insurance brokers that provide marketing and risk management services to the Insurance and Risk Management Branch. The Province's primary general liability coverage moved from the Manitoba Public Insurance Corporation to traditional commercial markets due to the sale of the general insurance division of MPIC.

The Branch also worked with the Department of Family Services in implementing a Government funded compensation plan for intentional property damage occurring in Foster Homes and Open Custody Homes in Manitoba.

Claims Administration

The Insurance and Risk Management Branch administers insurance related claims on behalf of Government departments and Agencies. In the 1990/91 fiscal year, 450 claims involving damage to government property, at a cost of $1.6 million, were reported to the Branch. The Branch worked with departments to recover approximately $505,000 from third parties responsible for the damage.

During this same period, 385 liability incidents were reported with initial reserves totalling nearly $377,000. The most significant increase was in the number of slip and fall incidents involving the public while on government property, reflecting a changing public attitude towards litigation.

The Branch implemented an improved coding system for incidents which will allow for more detailed claims analysis by cause and location.

General

More Branch functions were computerized due to the acquisition of an additional terminal, and the Claims Manager participated in a training exchange program with the Province of Alberta Risk Management Branch.

Branch personnel participated in the activities of the Provincial Accident Review Board and were instrumental in revising the mandate of this Board, which is designed to promote the safe use of Provincial vehicles.

07-6 Insurance and Risk Management

Expenditures by Sub-Appropriation		Actual 1990/91 $	Estimate 1990/91 SY	Estimate 1990/91 $	Variance Over (Under)	Expl. No.
(a)	Total Salaries	166,500	4.00	164,400	2,100	
(b)	Other Expenditures	13,500		12,300	1,200	
(c)	Insurance Premiums	1,532,000		1,867,500	(335,500)	1
(d)	Less: Recoveries from Other Appropriations	(770,200)		(952,500)	182,300	2
	Net Other Expenditures	775,300		927,300	(152,000)	

1. Insurance premiums on coverage for several policies were lower than anticipated due to market conditions. These included: General Liability; Aircraft Hull and Liability; Automobile Special Risks Extension (SRE); Airports Liability and Blanket Property coverage.

2. Recoveries from Other Appropriations are directly related to the premiums paid on behalf of other departments which were lower than anticipated.

TREASURY DIVISION

The Treasury Division was created as a separate entity in 1976 due to the need for placing greater emphasis on the management of substantial amounts of money, debt and investments. Since that time volumes and dollar values have increased significantly, requiring the development of currency and interest rate risk management programs. In the absence in the Province of separate agencies to assist in the financing of municipalities, schools and hospitals, the Treasury Division ensures that such financing is arranged.

In the 1990-91 fiscal year the Treasury Division existed in the context of an uncertain world political and economic picture, concerns about the direction of both long and short term capital markets, similar concerns about foreign currencies, excessive government deficits, third world debt problems, banking system problems caused by non-performing loans, weakening real estate markets, doubts about capital availability, volatile stock markets, financial institution crises in several countries, a steadily worsening world trade situation, fears of rising inflation, fears of a worsening recession with expectations of a slow recovery, and last but not least restructuring of Canadian and world financial markets, all of which impacted on the day to day decisions made by Treasury Division staff.

The Division maintains regular contact with the world financial community to inform more than 100 domestic and foreign financial corporations and rating agencies of the policies and economic performance of the Province.

The Treasury Division is divided into four functional areas:

- Administration
- Capital Finance Branch
- Money Management and Banking Branch
- Debt and Investment Services Branch

ADMINISTRATION

The Administration function has been allocated three staff years for the performance of the following functions:

- General Management of the Treasury Division.

- Contact with the world financial community.

- Investment of sinking funds and other long term investment accounts aggregating in excess of $2.5 billion.

- Establishing interest rates for loans to Crown Corporations, Government Agencies, school boards, hospitals and municipalities.

- Provision of management and financial advisory services to Government departments, Agencies and investment funds.

CAPITAL FINANCE BRANCH

The Capital Finance Branch of the Treasury Division has been allocated 7.13 staff years for the performance of the following major functions:

- Managing the borrowing programs of the Government, Crown Corporations, Government Agencies and other loan programs

- Administering Provincial investment in, and advances to, Crown Corporations, Government Agencies and other loan programs

- Managing sinking funds of the Province, Crown Corporations and Government Agencies

- Acting in an advisory capacity to Crown Corporations, Government Agencies and managers of other loan programs regarding the respective organization's policies and procedures related to capital financing.

Borrowing

The borrowing program of the Government, its Crown Corporations and Government Agencies aggregated $2.35 billion in 1990-91, $945 million for General Government Programs and $1,408 million for Self-Supporting Programs. The aggregate amount of Province of Manitoba direct and guaranteed debt, net of sinking funds, outstanding at March 31, 1991 using March 31, 1991 foreign exchange rates for conversion of foreign issues was $11.04 billion ($9.94 billion at March 31, 1990) of which $5.25 billion ($4.86 billion at March 31, 1990) was for General Government Programs.

The Capital Finance Branch actively monitors the global capital markets and manages the Province's outstanding debt through the use of both short and long term hedging techniques such as currency exchange agreements, interest rate swaps, forward rate agreements and various option structures. During the 1990-91 fiscal year, the Province's foreign currency exposure to non-North American liabilities was eliminated.

The Branch is responsible for meeting the ongoing reporting and filing requirements of all markets in which the Government has borrowed money. During 1990-91, a prospectus and/or related agreements were prepared for each of the Province's four foreign issues. As well, two major reports and filing documents were prepared for regulatory agencies.

The Branch also coordinated presentations to each of the four major North American rating agencies who evaluate the credit worthiness of the Province.

Investment

The Capital Finance Branch administers the Government's non-budgetary investment activities through advances to and/or equity investments in various Crown Corporations, Government Agencies and other loan programs. During 1990-91 an aggregate amount of $984 million of such investments were made while $502 million of principal was recovered. At March 31, 1991 the aggregate amount of advances and equity investments outstanding was $4.6 billion.

Sinking Funds

Sinking Funds of the Province of Manitoba, its Crown Corporations and Government Agencies are managed by the Capital Finance Branch. At March 31, 1991, Sinking Funds related to the direct debt of the Province amounted to $2.2 billion, up 17% from $1.9 billion at March 31, 1990. Sinking Funds of the Crown Corporations and Government Agencies in respect of debt guaranteed by the Government of Manitoba totalled $316 million at March 31, 1991, up 5% from 1990. The Capital Finance Branch determines the amount of the cash flow of these funds for investment purposes.

Other Responsibilities

The Capital Finance Branch also acts in an advisory capacity to Crown Corporations and Government Agencies and makes recommendations respecting each organization's policies and procedures related to the financing of their programs. All existing and proposed legislation of a financial nature is reviewed to ensure that the objectives of the Crown Corporation or Government Agency are met and that there is legislative consistency among the various entities.

The Branch is responsible for operating the Manitoba Hospital Capital Financing Authority, which assists operators of hospitals to finance their capital expenditures.

The Branch is also responsible for the management of the accounts of Manitoba Properties Inc. a Corporation owned by the Province for the purpose of purchasing provincial properties which are then leased back to the Province.

MONEY MANAGEMENT AND BANKING BRANCH

The Money Management and Banking Branch of the Treasury Division has been allocated eight staff years for the performance of the following major functions:

- Managing the Government's monetary resources.

- Managing the short term investment and borrowing programs for the Government.

- Administering trust money deposited with the Minister of Finance by Crown Corporations, Agencies and departments.

- Managing the banking operations of the Government.

Money Management

The Money Management and Banking Branch prepares cash flow forecasts detailing the Government's anticipated daily receipts and expenditures, including its trust administration activities. Management of daily bank balances and timing of long term borrowing is determined as a result of these cash flow forecasts.

During 1990-91, the Money Management program involved managing the cash flow for over 1,900,000 cheques representing $11 billion of transactions processed through the Government's disbursement system and over 900,000 cheques, money orders, drafts and other items representing approximately 24,000 bank deposits processed through the accounts of the Government.

Investment/Borrowing

Monitoring and management of the Government's cash flow during 1990-91 resulted in the Branch arranging 1,472 short term investment transactions aggregating over $22.0 billion of investment purchases and $2 billion of investment sales. The Branch also arranged for the issue of $495 million of Promissory Notes to finance temporary short-falls resulting from differences in the timing of Government payments and receipts. Interest earned on these short term investments amounted to over $171.0 million while interest paid on the Promissory Notes issued was approximately $1.5 million. The Branch monitored the credit status of approximately two dozen approved investments and maintained appropriate exposure limits for each, recommending changes where necessary to minimize risk.

Trust Administration

Over 50 departments, Agencies and Crown Corporations are required to deposit surplus funds with the Minister of Finance in interest-bearing trust deposits. These trust funds averaged approximately $1,250.0 million in 1990-91. In excess of 2,901 trust deposit receipts were issued in 1990-91 and 3,132 payment vouchers processed by the Branch in respect to these deposits. Interest paid on these trust accounts in 1990-91 was in excess of $164.0 million.

Banking Operations

The Branch advises and establishes procedures regarding the use of banking services and depositing for other departments and some agencies, and evaluates requests for new bank accounts and changes to existing accounts.

The Branch maintained a central index of approximately 650 accounts representing all Province of Manitoba bank accounts in all financial institutions in the Province. These accounts included the Manitoba Public Insurance Corporation agents' accounts. Also, the Branch negotiates contracts for banking and armoured car services for the Province.

The department completed negotiations with two more of its principal bankers during the year, changing over to a fee based structure from a compensating balance arrangement. As the fees were less than anticipated, an underexpenditure resulted. The small incremental cost increase, year over year, was more than offset by increases in interest revenue credited to the Public Debt appropriation related to the captured balances.

DEBT AND INVESTMENT SERVICES BRANCH

The Debt and Investment Services Branch of the Treasury Division has been allocated 11 staff years for the performance of the following major functions:

- To service the debt of the Province in accordance with all the terms and conditions of each loan thereby maintaining the reputation of the Province in world financial markets and maintaining the Province's ability to borrow on reasonable terms.

- To safekeep and service the investments of the Province and certain Crown Corporations and Government Agencies.

- To coordinate the preparation of Public Debt expenditure estimates and analyses.

Debt Servicing

As at March 31, 1991, the direct debt serviced by the Branch aggregated approximately $11.4 billion. This represents 32 debenture issues payable in Canadian Dollars, 31 issues payable in U.S. Dollars and 1 issue payable in Japanese Yen, as well as Treasury Bills, C.P.P. debentures and loans from the Government of Canada under special agreements, all payable in Canadian Dollars. These amounts are inclusive of 45 currency and interest rate swaps arranged by the Capital Finance Branch.

The Province acts as its own transfer agent on some of its Canadian Dollar and U.S. Dollar denominated securities. During the fiscal year ended March 31, 1991, 3,377 debentures and savings certificates were presented for transfer or exchange. These securities had a total value of $376 million and required 1,870 new securities to be issued.

In addition, 1,649 savings certificates with an aggregate value of $2.7 million were processed for early redemption.

Servicing the foreign debt obligations of the Province required the purchase of $607.3 million U.S. Dollars, 36.2 million Swiss Francs and 1.4 billion Japanese Yen. New borrowings required the sale of 593.9 million U.S. Dollars and 197.7 million Swiss Francs.

Investment Servicing

The Branch services the Sinking Fund investments of the Province of Manitoba, Manitoba Hydro, Manitoba Telephone System, Manitoba Housing and Renewal Corporation, and the University of Manitoba.

During the year ended March 31, 1991, sinking fund purchases of $431.5 million, earnings of $239.5 million and maturities and sales of $33.2 million were processed. The Branch administered 37 swap contracts by which U.S. dollar investments have been swapped into Canadian dollars.

In addition, the Branch services the long term investments of major accounts such as the Manitoba Public Insurance Corporation, the Civil Service Superannuation Board and the Workers Compensation Board. Securities safekeeping operations are provided for these and other accounts, including the Public Trustee.

Servicing the short term investments of the Province required the processing of 2,669 safekeeping instruction documents covering purchases, sales and maturities with a total value of $43.6 billion.

The Branch maintained safekeeping operations for securities owned by the Minister of Finance at a number of locations in Canada, the United States, Germany, Switzerland, Japan and Great Britain.

In order to meet its responsibilities in servicing the Province's debt & investments, the Branch operates a payment voucher and Treasury Cheque System for the Division. During 1990-91, 3,465 cheques were issued with a total value of $5.0 Billion.

Public Debt Expenditure Estimates

The Branch is responsible for coordinating the preparation of Public Debt expenditure estimates and analyses.

The Public Debt appropriation provides for the required net cost of interest and related expenses payable with respect to the Public Debt of the Province.

07-2 Treasury Division

Expenditures by Sub-Appropriation	Actual 1990/91 $	Estimate 1990/91 SY	Estimate 1990/91 $	Variance Over (Under)	Expl. No.
(a) Total Salaries	1,051,300	29.13	1,081,500	(30,200)	
(b) Total Other Expenditures	406,500		495,500	(89,000)	1
(c) Payments re: Soldiers' Taxation Relief	1,700		3,000	(1,300)	

1. Negotiations for a contract for banking services resulted in lower bank charges than originally expected.

PUBLIC DEBT

The following table sets forth certain information as to the funded debt of the Province as well as debt issues for general Provincial programs (all net of accumulated sinking funds) as at March 31 for the year 1987 through 1991, including per capita data based upon population at June 1, of the preceding calendar year.

	As at March 31,				
	1987	1988	1989	1990	1991
Net General Provincial Program Debt (in millions) (1) (2)	$4,621	$5,162	$5,249	$4,856	$5,249
Per Capita	$4,314	$4,784	$4,842	$4,476	$4,816
As a Percent of Gross Domestic Product	25.0%	26.3%	24.6%	21.2%	21.6%
Net Cost of Servicing General Provincial Program Debt (in millions) (1)	$410	$490	$440	$486	$498
As a Percent of Provincial Revenue	12.1%	12.1%	10.1%	10.4%	10.5%

(1) Includes Manitoba Properties Inc.

(2) U.S. and other foreign currency debt are stated at the Canadian dollar equivalent using the exchange rates in effect on March 31 each year.

07-9 Public Debt (Statutory)

Expenditures by Sub-Appropriation	Actual 1990/91 $	Estimate 1990/91 $	Variance Over (Under)	Expl. No.
Interest on the Public Debt of the Province and Expenses Incidental thereto	1,123,918,100	1,112,600,000	11,318,100	
Interest on Trust and Special Funds	164,456,700	149,900,000	14,556,700	
	1,288,374,800	1,262,500,000	25,874,800	
Less: Amounts of Interest and Other Charges Receivable from:				
Manitoba Telephone System	63,012,600	61,100,000	1,912,600	
Manitoba Hydro	285,557,900	265,700,000	19,857,900	
Manitoba Housing and Renewal Corporation	45,403,600	45,800,000	(396,400)	
Manitoba Agricultural Credit Corporation	25,933,900	25,800,000	133,900	
Other Government Agencies	6,794,000	6,800,000	(6,000)	
Other Loans and Investments	228,435,200	189,700,000	38,735,200	
Sinking Fund Investments	196,190,500	192,000,000	4,190,500	
	851,327,700	786,900,000	64,427,700	
TOTAL 07-9	437,047,100	475,600,000	(38,552,900)	1

1. Actual expenditures to March 31, 1991 were $38.5 million lower than the printed estimate. The major factors contributing to this decrease include an increase in earnings on investments, lower interest rates on floating rate debt and favourable currency levels.

   Net earnings from investments including the Cash Management Program and the Provincial Sinking fund increased by $36.1 million due to an increase in cash available for investment, primarily from additional long-term borrowing. Lower Canadian and U.S. interest rates on floating rate debt decreased interest costs by $8.3 million. Favourable foreign currency levels, particularly the U.S. dollar, resulted in a $3.4 million decrease in interest expense and a $4.7 million decrease in amortization expense.

   These major decreases were partly offset by a $19.0 million increase in interest expense due to additional long-term financing issued during the second half of 1990/91.

COMPTROLLER'S DIVISION

The role of the Comptroller's Division of Manitoba Finance is to effectively support the decision-making process of the central Government with financial and management information, advice and analysis. Its major objectives are:

- To develop and establish the required framework for the effective control and the operation of the Government's financial management and information systems activities.

- To administer the operation of the Government's central payment and accounting systems in order to support the delivery of Government programs.

- To accurately report the financial activities of the Consolidated Fund.

The Division operates under the direction of the Provincial Comptroller. In addition to the Comptroller's Office, the Division is comprised of three Branches:

- Financial and Management Systems

- Disbursements and Accounting

- Information Systems Support

3(a) Comptroller's Office

Expenditures by Sub-Appropriation	Actual 1990/91 $	Estimate 1990/91 SY	Estimate 1990/91 $	Variance Over (Under)	Expl. No.
Total Salaries	97,100	2.00	95,900	1,200	
Total Other Expenditures	3,200		3,600	(400)	

FINANCIAL AND MANAGEMENT SYSTEMS BRANCH

The Financial and Management Systems Branch is responsible for developing, communicating and supporting Government-wide financial management policies, systems, processes and procedures in order to ensure the effective operation of the Government's financial management functions.

The Branch carried out these responsibilities through its three operating units:

- Policy Administration and Support,

- Policy and Systems Development, and

- Computer Systems Support.

During 1990/91, the major projects initiated or completed by the Branch included:

- Government-wide coordination of the initial implementation of the new departmental Annual Report Guidelines. Advice and assistance were provided to all departments of Government, as well as to a number of agencies.

- The completion of two pilot projects initiated to evaluate the application of the Canadian Comprehensive Auditing Foundation's (CCAF) effectiveness reporting framework in the Manitoba Government environment. This included a presentation at the CCAF's annual conference in November.

- The development and communication of policies and procedures regarding the collection and remittance of the Federal Goods and Services Tax.

- The commencement of a Government-wide review of the Internal Audit function.

- The provision of analytical support to the Lotteries Distribution System.

- Participation on the Steering Committee for Project S.E.R.V.I.C.E., a multi-dimensional management reform initiative of the Department of Labour.

- The development of the necessary procedures and computer systems to process the Canadian Pension Adjustment requirements of Bill C-52, the Federal Government's June 27, 1990 amendment to the Income Tax Act.

- Participation on a working committee to identify a financial management model for each of the community colleges under incorporated board governance.

- The resolution of a significant accounting error related to the allocation of interest earnings in the Common Fund administered by the Public Trustee.

- A detailed feasibility study into a Government-wide integrated financial information system, including the analysis of vendors' potential system solutions, was ongoing throughout the year.

- Significant policy discussion papers and reports were completed or substantially completed during the year, including reviews of corporate credit card usage and the Government's quarterly financial reporting system.

- Alternative services delivery structures associated with the provision of government fleet vehicles were researched and analyzed to determine cost and service implications.

The Branch continued to supply all computer system maintenance services in support of the central Government financial systems. These systems, used by the Disbursements and Accounting branch of the Department of Finance, provide payments to employees and suppliers and maintain the official accounting records of the Province.

In addition, the Branch communicated and supported ongoing Government-wide financial management functions with the provision of policy refinements included in the quarterly updates to the Financial Administration Manual, the delivery of 5 financial management training courses to 60 participants of the financial management community, the coordination of the preparation of departmental Estimates Supplements, and continued analytical and staff support to the Management and Reform Committee of Cabinet.

As well, the Branch responded to concerns identified by the Provincial Auditor relative to Departments and Agencies of Government, and provided specialized consultative and problem resolution services.

3(b) Financial and Management Systems

Expenditures by Sub-Appropriation	Actual 1990/91 $	Estimate 1990/91 SY	Estimate 1990/91 $	Variance Over (Under)	Expl. No.
Total Salaries	655,000	15.26	673,300	(18,300)	
Total Other Expenditures	79,600		82,500	(2,900)	

DISBURSEMENTS AND ACCOUNTING BRANCH

The role of the Disbursements and Accounting Branch is to provide central processing, accounting and control for all receipts to, and disbursements from, the Consolidated Fund in accordance with governing legislation and established accounting policies and procedures. This Branch maintains the official accounting records of the Government and prepares financial statements and reports for departmental use. The Public Accounts of the Province were prepared in accordance with established accounting policy within prescribed deadlines and were distributed to the Legislature, the Public and other users as required. The Branch also ensured that functional direction and guidance over the receipt and disbursements of public funds were provided to departments in a comprehensive form, resulting in appropriate financial processes within the Province of Manitoba.

In order to perform its mandate, the Branch, with a staff of 63.26, has been organized into five sections. These are:

- General Accounting
- Payroll Accounting
- Voucher Accounting
- Data Entry Support
- Shared Cost Agreements

During 1990-91, the Branch prepared, signed and issued 482,157 payroll cheques and 522,964 cheques to corporations, firms, individuals and other government agencies based on documents and supporting information submitted by the Government's operating departments. The Branch also signed and issued 614,417 social program cheques and 73,116 housing grant cheques.

3(c) Disbursements and Accounting

Expenditures by Sub-Appropriation	Actual 1990/91 $	Estimate 1990/91 SY	Estimate 1990/91 $	Variance Over (Under)	Expl. No.
Total Salaries	1,944,100	63.26	1,963,400	(19,300)	
Other Expenditures	1,109,900		1,003,500	106,400	1
Less: Recoveries from Other Appropriations	(469,900)		(500,000)	30,100	
Net Other Expenditures	640,000		503,500	136,500	

1. The expenditure in excess of estimate is mainly the result of a professional consulting contract to review Federal Sales Tax payments by Government Departments. The review resulted in recovery of approximately $400,000 in overpayments. The consultant's fee was paid from this sub-appropriation on behalf of the Government and the Branch received a Special Warrant to cover this requirement.

INFORMATION SYSTEMS SUPPORT

Prior to 1990-91, the Information Systems Support Branch was responsible for the development and maintenance of Government-wide strategies for information systems management. It provided analytical support to Treasury Board in monitoring compliance with resultant policies, procedures and guidelines as well as providing education and training programs and consultative services. As the result of a reorganization in 1990-91, responsibilities for information technology management were transferred to the Treasury Board Secretariat.

This Branch retained responsibility for education and training programs, consultative services and implementation of the Legislative Building Information System. The branch also continued to provide a word processing service to offices of the Legislative Building.

Development and Management of the operation of the Legislative Building Information System purchased under the Wang/Manitoba Strategic Investment Agreement, continued throughout the fiscal year. Application development and user support services were provided to approximately 300 users, consisting of all Ministers, Deputy Ministers, Executive Council, the Speaker and Clerk of the Legislative Assembly, Hansard, the Leaders of the Opposition and all three Caucus offices.

The Branch had a staff of 18, divided into two operating units:

- Legislative Building Information Systems

- Consulting and Education, including Word Processing Services

3(d) Information Systems Support

Expenditures by Sub-Appropriation	Actual 1990/91 $	Estimate 1990/91 SY	Estimate 1990/91 $	Variance Over (Under)	Expl. No.
Total Salaries	691,100	18.00	679,300	11,800	
Other Expenditures	87,200		143,100	(55,900)	1
Systems Operations	513,200		653,400	(140,200)	2
Less: Recoveries from Other Appropriations	(107,900)		(137,300)	29,400	3
Net Other Expenditures	492,500		659,200	(166,700)	

1. Expenditures in the Information Systems Support Branch were lower than estimated because the volume of training requirements and word processing services was lower than anticipated.

2. Delays in delivery and acceptance of equipment used for the Legislative Building Information System resulted in lower than anticipated expenditure for equipment maintenance contracts and other charges related to acquisition of the equipment.

3. Recoveries for education and training programs and word processing services were lower than anticipated.

TAXATION DIVISION

The Taxation Division is responsible for administering and maximizing revenues properly due for all Provincial taxes excluding personal and corporate income taxes which are administered by the Federal Government on behalf of the Province.

Actual revenues for the 1990/91 fiscal year were $1,274,664,400 which was $12,002,400 less than estimated budgeted revenues. This revenue shortfall was attributable to the economic recession reflected primarily in realized sales tax revenues being $24,047,700 less than estimated.

The cost of operating the Taxation Division in 1990/91 was $8,882,800, a saving of $316,100 below budgeted expenses of $9,198,900. Non-recurring costs of replacing Remittance Processing Equipment and personnel costs associated with reorganization of the Taxation Division totalling $364,200 are included in 1990/91 actual expenditures. Expenditures for 1990/91 would have been $153,800 less than 1989/90 actual expenditures if these non recurring costs were excluded.

Operating costs were less than .7% of actual revenues in 1990/91 (.6% in 1989/90) even though actual revenues for 1990/91 declined by $87,427,900 when compared to 1989/90, due in large part to a reduction in the Mining Tax revenues collected.

During the year, the Taxation Division established two offices in rural Manitoba, (Westman Region), in Brandon and Boissevain. These offices are responsible for providing a full range of services to taxpayers. It is expected that this expanded coverage of rural Manitoba will improve taxpayer compliance.

In the 1990/91 year the Taxation Division's structure included an Administrative Branch and three statute based Branches:
- The Retail Sales Tax Branch
- The Mining & Use Taxes Branch
- The Corporation Capital Tax/Health and Post-Secondary Education Levy (Payroll Tax) Branch

During the year, the Taxation Division was in the process of reorganizing into functionalized Branches. The reorganization was substantially completed on March 31, 1991. The newly created Branches are:

- Taxation Management and Research Branch
- Taxation Administration Branch
- Taxation Audit Branch

The reorganization of the Taxation Division will improve effectiveness and efficiency in the delivery of taxation programs.

During the year, senior divisional staff were involved in space planning, redrafting position descriptions and reviewing same with Civil Service Commission staff. Reviews of each function previously performed in the three statute based Branches were undertaken in order to plan for the continuance of each of the functions in a more coordinated manner within the new organization. Planning for technical tax educational seminars for audit and other staff, a new Audit Review Section and a new Contractors Desk Audit Section was completed, as well as planning for the necessary changes of procedures brought about by the merging of staff by function from the three previously existing branches.

During the year, space planning and necessary renovations were completed with the assistance of Government Services, utilizing an outside architect and private construction firm. The renovated offices on the first, third and seventh floors of the Taxation Division utilize an open area concept with the use of screened partitions for privacy as well as flexibility.

The majority of our staff were either selected for their positions in the new organization or were appointed into new positions through competitions during the latter part of the year.

The reorganization of the Taxation Division resulted in the reduction of 18 staff years and should improve overall efficiency and effectiveness in the delivery of taxation programs.

A comparative statement of all revenues collected under the Acts administered by the Taxation Division is presented on page 37 of this Report.

TAXATION - ADMINISTRATION

Taxation Administration provided overall policy direction, performed pre-audit verification of all refunds and the quality and internal control function for the Taxation Division. As well, it provided the Minister and Deputy Minister with recommendations for changes in legislation or policy, evaluated the administrative and revenue implications being considered by the Government, implemented changes as directed and developed and maintained EDP systems for the Taxation Division.

4(a) Taxation - Administration

Expenditures by Sub-Appropriation	Actual 1990/91 $	Estimate 1990/91 SY	Estimate 1990/91 $	Variance Over (Under)	Expl. No.
Total Salaries	283,200	7.00	286,100	(2,900)	
Total Other Expenditures	12,300		12,500	(200)	

THE RETAIL SALES TAX BRANCH

The Branch administers the Retail Sales Tax Act which levies a tax on certain services and goods purchased in Manitoba, or brought into the Province for consumption. The tax rate is 7% which is calculated on the retail selling price excluding the Goods and Services Tax.

The Retail Sales Tax Branch operated at a cost of $3,903,800 in 1990/91, an increase of 1.0% over the 1989/90 year. The Branch operated with a staff level of 84.12 staff years rather than the 92.00 staff years requested, due to hiring restraints. The Branch's revenue for 1990/91 was $605,952,300, a decrease from budget of $24,047,700 which reflects a downturn in the economy. The Branch expenses of $3,903,800 represent .64% of revenues or a net return of $155.22 for every dollar expended. Net revenues include tax recoveries from audit and inspection activities.

The Retail Sales Tax Branch's main activities are as follows:

- maintains an updated taxroll of registrants and operates effective systems to record and control tax remittances and process refunds;

- audits records of tax collectors and taxpayers, assesses for unpaid tax, collects tax arrears and prosecutes for offences under the Act (this latter function was partially transferred during the year to the Mining and Use Taxes Branch Compliance and Investigation section in anticipation of functionalization with the aim to improve effectiveness and efficiency);

- advises tax collectors and taxpayers of the interpretation of the tax law, remittance procedures and other requirements of the Act and Regulations;

- recommends to Taxation Administration policy change options and amendments to the Act.

Activities of the Retail Sales Tax Branch

During the year the Branch processed 225,545 returns from tax collectors/taxpayers.

The following are some of the many other activities that were performed by the staff relative to the administration and enforcement of The Retail Sales Tax Act.

- maintained a tax roll on all registered businesses that collect and/or pay the tax, which included processing 4,269 new business registrations and 4,017 terminations;

- controlled the issuance and usage of 111,500 prenumbered tax reporting forms by Autopac Agents and the Driver and Vehicle Licensing Division of the Department of Highways and Transportation;

- processed and paid 13,009 refund claims from taxpayers, totalling $5,148,300;

- made a total of 28,393 calls by compliance staff, either by telephone or in person, on tax collectors/taxpayers for the purpose of informing them of the tax requirements, verifying refund claims, obtaining information for the tax roll, collecting delinquent tax returns and arrears and inspecting business records;

- collected $2,510,000 tax revenue from inspection of business records and other compliance activities;

- with audit staff resources, audited the records of 363 businesses and recovered $5,326,400 tax revenue;

- carried out, in cooperation with other provinces, an audit of the 1988/89 tax payments and completed the audit of the 1987/88 tax payments made by the Federal Government under the Reciprocal Taxation Agreement.

4(b) Retail Sales Tax Branch

Expenditures by Sub-Appropriation	Actual 1990/91 $	Estimate 1990/91 SY	Estimate 1990/91 $	Variance Over (Under)	Expl. No.
Total Salaries	3,171,800	92.00	3,423,600	(251,800)	
Total Other Expenditures	732,000		641,300	90,700	1

1. Variance due to increase in postage due to special mailouts to registered vendors for G.S.T. and other taxation initiatives; increase in computer related charges resulting from increased emphasis on collection activity and analytical reports and professional services relating to reorganization matters.

THE MINING & USE TAXES BRANCH

The Mining & Use Taxes Branch operated at a cost of $2,554,600 in 1990/91, a decrease of .8% from the 1989/90 year. The Branch operated with a staff level of 50 staff years rather than the 53.26 staff years requested, due to hiring restraints. The Branch's revenue for 1990/91 was $406,709,300, an increase over budget of $6,632,500. The Branch expenses of $2,554,600 represent .63% of revenues or a net return of $159.20 for every dollar expended. Net revenues include tax recoveries from audit, inspection and investigation activities.

The Mining and Use Taxes Branch administers and collects taxes under the six taxation statues listed below. The Branch's main activities are as follows:

- operates effective systems to record and control tax remittances and process refunds;

- inspects and audits the records of tax collectors and taxpayers, conducts investigations into the smuggling of tobacco products and fuels and prosecutes for offences under the Act (during the year it also commenced conducting investigations and laying charges under The Retail Sales Tax Act in anticipation of functionalization);

- advises tax collectors and taxpayers of the interpretation of the tax law, remittance procedures and other requirements of the Acts and Regulations;

- cooperates with the Department of Agriculture to reduce the price of farm fuel by obtaining tax exemptions or reductions from U.S. States and by the dyeing of farm fuel at the U.S. Border;

- recommends to Taxation Administration policy change options and amendments to the Acts.

The Mining & Use Taxes Branch administers the following statutes:

The Gasoline Tax Act - Imposes a per litre tax on all purchases of gasoline, aviation gasoline and gasohol, subject to tax exemptions (coloured fuel used for farming, fishing, trapping and logging). The tax is collected through some 50 appointed collectors and 1500 retail dealers and amounted to $124,925,300 in 1990/91.

The Mining Tax Act - Imposes a tax of 20% of the profit of mining operations (after allowing a 10% processing allowance). Revenue from this source in 1990/91 was $48,738,200, as compared to the 1989/90 revenue of $115,485,600. This decrease is attributable mainly to decreased prices in base metals which lower profits subject to tax.

The Motive Fuel Tax Act - Imposes a per litre tax on all purchases of petroleum products that can be used in the operation of an internal combustion engine or for commercial heating that are not taxable under The Gasoline Tax Act, subject to tax exemptions (coloured fuel used for farming, fishing, trapping, logging and domestic home heating). The tax is collected through 37 appointed collectors and 610 retail dealers and remitted directly by some 500 interprovincial truckers and 120 propane dealers and amounted to $61,872,900 in 1990/91.

The Pari-Mutuel Tax Act - Provides for a tax on the amount bet by every person who bets through the agency of a pari-mutuel system. Revenue from this source in 1990/91 amounted to $4,871,900 most of which is returned to the horse racing industry in the form of purse support grants administered through the Department of Industry, Trade and Tourism. Rural race meets convened under the auspices of an Agricultural Society are permitted to retain taxes collected to assist in the conduct of their activities.

Part 1 of The Revenue Act - Imposes a tax on the purchase price of electricity, coal, and natural and manufactured gas delivered by a pipeline. Special exemptions are provided for the heating of domestic dwellings and farm buildings.The 7% tax was collected by 80 licensed dealers and amounted to $50,109,100 in 1990/91.

The Tobacco Tax Act - Imposes a tax on the purchase of cigarettes, cigars and other tobacco products. The tax was collected from 34 collectors and amounted to $116,109,200 for the 1990/91 year.

Activities - Compliance and Investigation

During the year this area was functionalized and had added to its responsibilities the laying of charges for violations under The Retail Sales Tax Act. During the year the following results were achieved:

	1990/91
- Court convictions	98
- Cases before the courts	15
- Assisting police in the charging of persons for being in possession of stolen cigarettes	20
- Additional taxes collected that would otherwise be lost	$886,724
- Fines	$ 29,885

There were approximately 170 active investigations in various stages which may involve prosecution under the various Taxation Statutes.

Other Activities of the Mining & Use Taxes Branch

Senior management of the Branch were involved in all aspects of the reorganization of the Taxation Division, as explained earlier.

Included in the 1990/91 revenues are $1,114,400. of audit recoveries.

During the year, the Minister of Finance entered into an agreement with a service station operator on an Indian Reserve to provide tax free fuel to resident Band members and held discussions with others regarding similar agreements under The Gasoline Tax Act.

In anticipation of further use of lap top computers by the audit function, various lap top computers and software packages were evaluated. The capabilities of various computer software packages related to developing a Management Reporting System that would assist management in tracking, evaluating, controlling audits and strategic planning were also assessed.

In December, 1990, as a result of federal environment restrictions, leaded gasoline was no longer available in the fuel market. The Branch had extensive involvement in monitoring and closing out the transitional programs for the oil companies who were allowed to hand dye unleaded gasoline in farmer's tanks.

4(c) Mining & Use Taxes Branch

Expenditures by Sub-Appropriation	Actual 1990/91 $	Estimate 1990/91 SY	Estimate 1990/91 $	Variance Over (Under)	Expl. No.
Total Salaries	2,047,600	53.26	2,099,500	(51,900)	
Total Other Expenditures	507,000		523,400	(16,400)	

THE CORPORATION CAPITAL TAX/PAYROLL TAX BRANCH

The Corporation Capital Tax/Payroll Tax Branch operated at a cost of $2,128,900 in 1990/91, an increase of 5.4% from the 1989/90 year. The Branch operated with a staff level of 46.12 staff years. The Branch's revenue for 1990/91 was $261,912,800, an increase over budget of $5,412,800. The Branch expenses of $2,128,900 represent .8% of revenues or a net return of $123.00 for every dollar expended. Net revenues include tax recoveries from audit and inspection activities.

The Corporation Capital Tax/Payroll Branch's main activities are as follows:

- maintains updated taxrolls and develops and operates effective systems to record and control tax remittances and process refunds;

- advises taxpayers of the interpretation of the law and Regulations;

- inspects and audits the records of taxpayers, assesses for unpaid taxes, collects tax arrears and prosecutes for offences under the Acts;

- recommends to Taxation Adminstration policy change options and amendments to the Acts.

The Corporation Capital Tax/Payroll Tax Branch administers the following statutes:

The Corporation Capital Tax Act - Imposes a tax on corporations' taxable paid-up capital, as defined in the Act. In general terms, this is "net funds" invested in corporations. "Funds" include all types of investments such as mortgages, loans and shareholders equity. If the taxable paid-up capital is less than $1,000,000 the corporation is exempt from this tax. In 1990/91 revenues were $75,426,000.

The Corporation Capital Tax Roll at March 31, 1991 totals 42,173 accounts composed of:

Active Accounts	8,372
Exempt Accounts (1)	27,642
Inactive Accounts (2)	6,159
Total Taxpayers on file	42,173

1) These accounts although less than the threshold exemption of $1,000,000. are required to file an Annual Return to substantiate their current tax status. This provides the administrative control mechanism vis-a-vis continued exemption or change to taxable status.

2) These accounts are included in the taxroll as they represent business entities that have incorporated but are not yet carrying on business (e.g. shelf corporations).

The Health and Post Secondary Education Tax Levy Act - Imposes a tax on employers' total annual gross remuneration paid to their employees. Employers, who paid total gross remuneration less than $300,000 annually were exempt up to December 31, 1989. The tax exemption level was increased to $600,000 effective January 1, 1990. Revenues from the tax amounted to $186,486,800 in 1990/91.

The Payroll Tax roll at March 31, 1991, totals 39,217 accounts comprised of:

Active Accounts (1)	1,633
Exempt Accounts (2)	36,381
Other (inactive, no commencement date) (3)	1,203
Total Taxpayers on file	39,217

1) Includes monthly, seasonal and reduced tax rate taxpayers who file a Payroll Tax return as required.

2) Exempt Taxpayers file "Annual Declaration of Salaries Paid" returns to substantiate their current tax status.

3) These entities are on the taxroll as they have advised that they intend to carry on an active operation at some future date, not as yet known.

Activities of the Corporation Capital Tax/Payroll Tax Branch

Included in the 1990/91 revenues are $2,871,300. of audit recoveries.

Effective January 1, 1991, the Minister announced that remuneration paid by an employer to a person while engaged in the operation of a commercial truck, either for interprovincial or international trips, will be exempt from the Payroll Tax.

Extensive effort was expended developing the payroll tax credit program which provides a refund of payroll taxes paid to eligible employers for approved employee training costs.

4(d) Corporation Capital Tax/Payroll Tax Branch

Expenditures by Sub-Appropriation	Actual 1990/91 $	Estimate 1990/91 SY	Estimate 1990/91 $	Variance Over (Under)	Expl. No.
Total Salaries	1,530,900	46.12	1,610,900	(80,000)	
Total Other Expenditures	598,000		601,600	(3,600)	

TAXATION DIVISION
COMPARATIVE STATEMENT OF ACTUAL REVENUES
For Fiscal Years Ending March 1987 to March 1991

	1986/87 $	1987/88 $	1988/89 $	1989/90 $	1990/91 $
Corporation Capital Tax	40,571,200	58,382,500	59,672,500	72,524,700	75,426,000
Gasoline Tax	115,729,800	119,550,300	121,956,900	126,023,200	124,925,300
Health & Post Secondary Education Tax Levy	126,578,500	187,537,900	199,191,500	191,267,700	186,486,800
Succession Duty & Gift Tax	100,800	78,500	322,600	58,500	90,300
Mining Claim Lease Tax	75,000	75,000	71,300	71,200	82,400
Mining Tax	48,106,200	28,297,000	151,325,000	115,485,600	48,738,200
Motive Fuel Tax	56,956,000	71,561,900	64,875,600	65,002,600	61,872,900
Oil & Gas Production Tax	7,249,100	8,357,600	5,705,300	(1)	(1)
Pari Mutuel Tax	5,080,000	5,193,500	5,034,800	4,916,800	4,871,900
Retail Sales Tax	463,027,700	566,998,900	594,707,900	621,730,400	605,952,300
Revenue Act, Part 1	32,642,400	41,414,100	45,811,800	48,156,700	50,109,100
Tobacco Tax	91,660,200	93,906,700	98,725,000	116,854,900	116,109,200
	987,776,900	1,181,353,900	1,347,400,200	1,362,092,300	1,274,664,400

(1) 1986 to 1987 revenues under The Oil and Natural Gas Tax Act. This Act was replaced by The Oil and Gas Production Tax Act as at April 1, 1987. In 1989/90 the enforcement and control of this Act was transferred to the Department of Energy and Mines.

FEDERAL-PROVINCIAL RELATIONS AND RESEARCH DIVISION

The Federal-Provincial Relations and Research Division expenditures for Estimates purposes in 1990-91 were noted under the Sub-Appropriation headings of:

- Economic and Federal-Provincial Research

- Manitoba Tax Assistance Office.

The Division's primary goals are:

- to provide research, technical and analytical support in respect of national and provincial fiscal and economic matters and intergovernmental financial relations, including cost-shared programs;

- to administer fiscal arrangements and tax collection agreements with the Federal Government and to administer tax credit programs with the federal government and municipalities.

Major areas of responsibility include intergovernmental fiscal relations, economic and fiscal policy analysis and tax policy formulation.

The Division is comprised of three Branches and an Administrative Unit:

- Intergovernmental Fiscal Analysis Branch

- Economic and Fiscal Analysis Branch

- Taxation Policy Analysis Branch which is also responsible for the
  Tax Assistance Office.

The Division's senior staff consists of the Assistant Deputy Minister and the Directors of the Intergovernmental, Economic and Taxation Branches.

INTERGOVERNMENTAL FISCAL ANALYSIS BRANCH

The Intergovernmental Fiscal Analysis Branch includes five staff positions.

The Branch Director and staff undertake on-going analysis and interpretation of intergovernmental fiscal transfers generally in respect of personal and corporate income tax collections, federal financing for health, higher education and social programs, equalization, reciprocal taxation and some aspects of provincial/local government fiscal arrangements.

Total Provincial revenues governed by Federal-Provincial fiscal arrangements and administered by the Fiscal Analysis Branch in 1990/91 amounted to $1,149.4 million in individual income tax; $78.4 million in corporation income tax; $970.3 million in equalization payments; $406.2 million in cash payments for health and education; $10.0 million from the Reciprocal Taxation Agreement and $2.2 million in other unconditional subsidies.

The Intergovernmental Fiscal Analysis Branch also provided support in administering Provincial-Municipal Tax-Sharing payments.

The Intergovernmental Fiscal Analysis Branch provides fiscal analysis necessary for the Minister and Cabinet to develop the Budget and is responsible for the production of the Budget and Budget related communications.

The Branch Director and staff represent the Province at Federal-Provincial meetings and on working groups on fiscal data, fiscal arrangements and other Department of Finance issues. In addition, the Branch also serves as the focal point for the review of all proposed new Government regulations and amendments to existing Government Regulations.

ECONOMIC AND FISCAL ANALYSIS BRANCH

The Economic and Fiscal Analysis Branch includes four staff positions.

The Branch's mandate is to provide economic and fiscal analysis of national, regional matters to the Minister and Cabinet, as well as for use by various departments in policy development and Estimates preparation.

The Branch monitors and reviews a wide variety of both private and public analyses and forecasts and maintains an extensive information base in order to meet its objective.

The Branch Director and staff represent the Province on Federal-Provincial committees and working groups and provides economic analytical support for Ministerial and First Ministers' meetings. As well, the Branch provides interdepartmental co-ordination of economic analysis through the Interdepartmental Economic Outlook Group.

The Branch prepares the Economic Reviews presented with the Budgets and Financial Reports, as well as extensive major reviews for ministerial and consultative presentations.

An important and ongoing task of the Branch is to prepare major components of Provincial borrowing prospectuses and securities registration; statements in regard to economic and financial data and to represent the Province in " due diligence" examinations of borrowing documents. An additional related task is to prepare major presentations for financial institutions and credit-rating agencies and to co-ordinate supporting presentations from other departments of Government.

TAXATION POLICY ANALYSIS BRANCH

The Taxation Policy Analysis Branch has five staff years assigned with a further ll.26 staff years available for full and term positions in the Tax Assistance Office.

The Taxation Policy Analysis Branch develops recommendations for the Minister and Cabinet for taxation policy and for specific tax measures and tax credits. Tax measures are implemented through Budgets and legislation of the Province and for income taxes through the Federal-Provincial Tax Collection Agreement.

The Branch has responsibility to review and analyze the effects of various federal tax measures and proposals. This work entails participation in Federal-Provincial working groups and ministerial meetings relevant to these matters.

The Branch Director supervises the Tax Assistance Office and the several programs administered in that office. These include the Manitoba Tax Credit programs, several programs related to Manitoba personal income tax, and the Manitoba Small Business Tax Reduction. These programs were distributed to approximately 500,000 Manitobans. The Tax Assistance Office also assisted 15,600 elderly Manitobans in completing their income tax and related forms, processed 9,100 applications, and answered 58,600 telephone inquiries.

ADMINISTRATIVE UNIT

This unit, with a staff of three, provides administrative support, word processing, library skills, research and other organizational and technical support to the Assistant Deputy Minister and the Branches of the Division.

07-5 Federal-Provincial Relations and Research Division

Expenditures by Sub-Appropriation	Actual 1990/91 $	Estimate 1990/91 SY	Estimate 1990/91 $	Variance Over (Under)	Expl. No.
(a) Economic and Federal-Provincial Research					
Total Salaries	804,700	19.39	902,800	(98,100)	
Total Other Expenditures	235,300		280,800	(45,500)	
(b) Manitoba Tax Assistance Office					
Total Salaries	257,000	11.26	332,800	(75,800)	1
Total Other Expenditures	34,700		59,400	(24,700)	2

1. Term salaries were lower than anticipated due to a greater volume of returns being processed faster and earlier than in previous years.

2. The reduction in term time impacted on the expenditures for phones, vehicles and supplies.

Revenue From Federal-Provincial Fiscal Arrangements

For Fiscal Years Ending March 1987 to March 1991

	1986-87 ($'000)	1987-88 ($'000)	1988-89 ($'000)	1989-90 ($'000)	1990-91 ($'000)
Income Taxes					
Individual Income Tax	760,143.6	989,070.0	1,029,942.6	1,031,093.7	1,149,447.3
Corporation Income Tax	119,358.4	167,024.9	201,057.3	152,327.3	78,442.6
Sub Total	879,502.0	1,156,094.9	1,230,999.9	1,183,421.0	1,227,889.9
Federal Transfers					
Equalization	508,359.0	620,464.0	863,096.0	909,727.0	970,344.0
Established Programs - Cash Transfer	418,209.0	434,081.0	426,056.0	430,832.0	406,229.0
Reciprocal Taxation Agreement	13,407.5	17,855.8	16,497.0	14,890.0	9,977.5
Other Transfers	2,201.3	2,224.4	2,214.3	2,216.4	2,217.6
Sub Total	942,176.8	1,074,625.2	1,307,863.3	1,357,665.4	1,388,768.1
Total from Fiscal Arrangements	1,821,678.8	2,230,720.1	2,538,863.2	2,541,086.4	2,616,658.0

Note: Additional revenue information is provided on pages 53 - 59 inclusive.

INSURANCE AND RISK MANAGEMENT BRANCH (details are shown on pages 17 - 19 inclusive).

TREASURY BOARD SECRETARIAT

The Treasury Board Secretariat provides financial and analytical support to Treasury Board, the Minister of Finance, and to Cabinet. The Secretariat is headed by a Deputy Minister who acts as Secretary to Treasury Board.

The major functions fulfilled by the Secretariat include:

- Development and implementation of the annual estimates process

- Review and analysis of departmental estimates

- Preparation of the Annual Estimates of Expenditure and Revenue

- Provision of advice and assistance to departments related to Treasury Board matters

- Analysis of departmental Treasury Board Submissions

- Monitoring of and reporting on the status of the Province's expenditures and revenues

- Development of processes aimed at fostering longer-term fiscal planning activities and multi-year budgeting

- Cooperative review and analysis of the Government's program base

- Review and development of administrative policy and maintenance of the General Manual of Administration.

The 1990/91 Estimates of Expenditure and Revenue were tabled in the Legislature with The 1990 Manitoba Budget on October 24, 1990. This year, for the first time, authority for lotteries funded programs was included in the Main Estimates of Expenditure. The purpose of this change was to provide for the legislative review of expenditures on lotteries funded programs, to increase financial accountability for these funds, and to ensure consistency in the decision-making process. As lotteries funded expenditures are fully recoverable from lotteries proceeds which are held in trust, an equivalent amount was included in the 1990/91 Revenue Estimates.

During 1990/91 the Secretariat assumed responsibility for managing the use of information technology in the Manitoba Government. This resulted in the creation of the Information Technology Review Office with staff transferred from the Comptroller's Division.

ADMINISTRATIVE SUPPORT SERVICES

The Administrative Support Services unit provides administrative and word processing support to the Secretariat. In addition to handling all ongoing secretarial requirements, this unit coordinates and organizes Treasury Board meetings and requisite agenda and minutes, and coordinates and maintains the records system.

FISCAL PLANNING OFFICE

The Fiscal Planning Office (FPO) is responsible for developing fiscal strategy and planning options for the Government of Manitoba. This is accomplished through the maintenance of an effective budget/planning cycle within an overall fiscal framework. The FPO develops, implements and coordinates the annual Estimates process, and finalizes the Estimates of Expenditure and Revenue for tabling in the Legislature. The FPO prepares money bills and support information for tabling in the Legislature, and develops and implements such processes that are necessary to maintain the orderly business of government.

The FPO is also responsible for monitoring the fiscal status of the Government and preparing reports, ensuring that the Government has accurate, timely and relevant information on its fiscal position. Financial and operational information is provided to senior management of the Province to facilitate sound financial management of Government programs.

ANALYTICAL UNITS

The two Analytical Units, aligned roughly on the basis of social and economic government programs, are responsible for providing ongoing analysis, advice and recommendations in support of the Treasury Board decision-making process, with respect to program, policy and financial direction for a portfolio of departments. The units monitor, analyze and advise on departmental activities, ensuring the effective, efficient and consistent delivery of government policies and priorities. In addition, the Analytical Units support and assist the activities of the Fiscal Planning Office and the Program Review Office.

The Units are major participants in the development of the annual Estimates of Expenditure and Revenue. They provide advice and guidance to assigned departments in the preparation of their Estimates, analyze departmental Estimates and evaluate whether they meet fiscal guidelines, and evaluate alternative strategies. They provide advice and recommendations to Treasury Board on program, policy and resource allocation issues, and they communicate and review Treasury Board decisions with assigned departments.

The Analytical Units provide ongoing advice and analysis to Treasury Board by reviewing departmental Treasury Board Submissions and providing assessments and recommendations. Other activities include participating in departmental reviews and studies; providing advice to departments on Treasury Board guidelines and procedures, as well as on various policy and financial issues; monitoring the program and financial status of departments; analyzing and reporting on departmental financial information to ensure compliance with Government policy and financial objectives; and working with senior departmental personnel to ensure that the necessary communication between Treasury Board and departments is maintained.

ADMINISTRATIVE POLICY OFFICE

The Administrative Policy Office (APO) is responsible for developing, communicating, interpreting, monitoring and evaluating Government administrative policies. These policies direct, guide and assist departmental staff in managing Government programs and resources in a way that reflects the Government's fiscal strategy, and are part of the ongoing government control process.

In the development phase of an administrative policy, the APO consults with other offices of the Secretariat and with departments to identify policy-related problems and potential solutions. To communicate administrative policies, the APO publishes the General Manual of Administration and updates it periodically. The APO also advises and assists departments in the interpretation of administrative policies and procedures.

PROGRAM REVIEW OFFICE

The Program Review Office (PRO) is responsible for extensive, specialized review of policy and program issues. The PRO provides in-house program review capabilities to aid departments in ensuring that programs are effective, efficient and consistent with the fiscal management goals of the Government.

Within the context of relevant social, economic and fiscal factors, the PRO reviews programs having a major fiscal impact. During a program review the PRO, in consultation with affected departments, identifies program strengths and weaknesses, discusses options for resolving problems and makes recommendations to increase the effectiveness and efficiency of the review subject. The PRO also provides consulting services to departments. These consulting services range from full-time support of Government working groups to one-time advice on issues or process.

INFORMATION TECHNOLOGY REVIEW OFFICE

The Information Technology Review Office (ITRO) is responsible for fostering, protecting and managing the effective use of information technology in the Manitoba Government.

The ITRO ensures the Government's effective and economic use of information technology by developing and administering policies, managing the annual allocation process and recommending strategic direction. The ITRO ensures the security and integrity of the Government's technologically managed information assets through appropriate disaster recovery planning and practices to minimize information disruption in the event of a major disaster. They also ensure that the Government's interests are met in all technology-related economic and strategic agreements.

07-7 Treasury Board Secretariat

Expenditures by Sub-Appropriation	Actual 1990/91 $	Estimate 1990/91 SY	Estimate 1990/91 $	Variance Over (Under)	Expl. No.
Total Salaries	2,180,700	51.00	2,335,800	(155,100)	
Total Other Expenditures	248,000		315,600	(67,600)	1

1. Reduction due to delay of computer related purchases, General Manual of Administration printing, and reduction in stationery purchases.

TAX CREDIT PAYMENTS

07-8 Tax Credit Payments

Expenditures by Sub-Appropriation	Actual 1990/91 $	Estimate 1990/91 $	Variance Over (Under)	Expl. No.
Tax Credit Payments	247,112,200	251,000,000	(3,887,800)	1

1. Variance was primarily due to under-expenditures of $1.5 million for the Property Tax Credit and $1.2 million for the Cost of Living Tax Credit. This occurred because both are strongly influenced by income, and income growth was stronger than anticipated. In addition, the Pensioners School Tax Assistance Payments was $700,000 under budget and the Political Contributions Tax Credit Payments was underexpended by $400,000.

PUBLIC DEBT (details are shown on pages 24 and 25).

EXPENDITURES RELATED TO CAPITAL

07-10 Expenditures Related to Capital

Expenditures by Sub-Appropriation	Actual 1990/91 $	Estimate 1990/91 $	Variance Over (Under)	Expl. No.
(a) Acquisition/Construction of Physical Assets	1,300,000	1,300,000	0	

07-11 Unbudgeted Statutory Payment

Expenditures by Sub-Appropriation	Actual 1990/91 $	Estimate 1990/91 $	Variance Over (Under)	Expl. No.
Canadian Occidental Petroleum Ltd.	1,600	Nil	1,600	1

1. The Queen's Bench Court ordered the Government to pay to a plaintiff the sum of $1,000 and costs in a suit under the Retail Sales Tax Act.

DEPARTMENT OF FINANCE

RECONCILIATION STATEMENT

DETAILS	1990/91 ESTIMATES
1990/91 Main Estimates	$ 749,657,600
ALLOCATION OF FUNDS FROM:	NIL
1990/91 Estimate	$ 749,657,600

Department of Finance

Expenditure Summary

for fiscal year ended March 31, 1991
with comparative figures for the previous fiscal year

Estimate 1990/91	Appropriation	Actual 1990/91	Actual 1989/90	Increase (Decrease)	Explanation Number
	07-1 Administration and Finance				
$ 20,600	(a) Minister's Salary	$ 20,500	$ 20,500	$ 0	
	(b) Executive Support				
309,500	Salaries	316,500	289,400	27,100	
107,700	Other Expenditures	83,300	98,900	(15,600)	
	(c) Financial and Administrative Services				
343,400	Salaries	319,200	309,500	9,700	
34,800	Other Expenditures	20,900	28,900	(8,000)	
	(d) Human Resource Management				
161,300	Salaries	156,400	180,100	(23,700)	
21,800	Other Expenditures	19,500	21,700	(2,200)	
$ 999,100	Total 07-1	$ 936,300	$ 949,000	$ (12,700)	
	07-2 Treasury Division				
$1,081,500	(a) Salaries	$ 1,051,300	$ 958,800	$ 92,500	
495,500	(b) Other Expenditures	406,500	386,000	20,500	
3,000	(c) Payments re: Soldiers' Taxation Relief	1,700	1,800	(100)	
$1,580,000	Total 07-2	$ 1,459,500	$1,346,600	$ 112,900	

Department of Finance

Expenditure Summary

for fiscal year ended March 31, 1991
with comparative figures for the previous fiscal year

Estimate 1990/91	Appropriation	Actual 1990/91	Actual 1989/90	Increase (Decrease)	Explanation Number
	07-3 Comptroller's Division				
	(a) Comptroller's Office				
$ 95,900	Salaries	$ 97,100	$ 86,100	$ 11,000	
3,600	Other Expenditures	3,200	3,200	0	
	(b) Financial and Management Systems				
673,300	Salaries	655,000	674,000	(19,000)	
82,500	Other Expenditures	79,600	73,200	6,400	
	(c) Disbursements and Accounting				
1,963,400	Salaries	1,944,100	1,887,100	57,000	
1,003,500	Other Expenditures	1,109,900	949,900	160,000	
(500,000)	Less: Recoverable from Other Appropriations	(469,900)	(486,500)	16,600	
	(d) Information Systems Support				
679,300	Salaries	691,100	515,900	175,200	1
143,100	Other Expenditures	87,200	157,000	(69,800)	2
653,400	Systems Operations	513,200	191,700	321,500	3
(137,300)	Less: Recoverable from Other Appropriations	(107,900)	(71,500)	(36,400)	4
$ 4,660,700	Total 07-3	$ 4,602,600	$ 3,980,100	$ 622,500	

1. The increase in salaries paid by the Information Systems Support Branch reflects the additional staffing required to implement the Legislative Building Information System.

2. The reduction in other expenditures results from the transfer of the Information Technology Management group to Treasury Board Secretariat that occurred in 1990-91.

3. The increase in systems operations costs results from the installation of work stations and the conversion of more users in the Legislative Building to the new Information System.

4. The increase in recoveries is due mainly to the charge back policy for courses provided by the Branch being in effect for the full fiscal year.

Department of Finance

Expenditure Summary

for fiscal year ended March 31, 1991
with comparative figures for the previous fiscal year

Estimate 1990/91		Appropriation	Actual 1990/91	Actual 1989/90	Increase (Decrease)	Explanation Number
	07-4	Taxation Division				
		(a) Administration				
$ 286,100		Salaries	$ 283,200	$ 352,000	$ (68,800)	
12,500		Other Expenditures	12,300	12,200	100	
		(b) Retail Sales Tax Branch				
3,423,600		Salaries	3,171,800	3,174,900	(3,100)	
641,300		Other Expenditures	732,000	688,400	43,600	
		(c) Mining and Use Taxes Branch				
2,099,500		Salaries	2,047,600	1,947,800	99,800	
523,400		Other Expenditures	507,000	418,100	88,900	
		(d) Corporation Capital Tax/Payroll Tax Branch				
1,610,900		Salaries	1,530,900	1,529,400	1,500	
601,600		Other Expenditures	598,000	489,800	108,200	5
$ 9,198,900	Total 07-4		$8,882,800	$8,612,600	$ 270,200	
	07-5	Federal-Provincial Relations and Research Division				
		(a) Economic and Federal-Provincial Research Branch				
$ 902,800		Salaries	$ 804,700	$ 856,900	$ (52,200)	
280,800		Other Expenditures	235,300	247,900	(12,600)	
		(b) Manitoba Tax Assistance Office				
332,800		Salaries	257,000	254,100	2,900	
59,400		Other Expenditures	34,700	36,600	(1,900)	
$ 1,575,800	Total 07-5		$1,331,700	$1,395,500	$ (63,800)	

5. The increase in expenditures resulted from the purchase of computer equipment and related software in 1990/91.

Department of Finance

Expenditure Summary

for fiscal year ended March 31, 1991
with comparative figures for the previous fiscal year

Estimate 1990/91		Appropriation	Actual 1990/91	Actual 1989/90	Increase (Decrease)	Explanation Number
	07-6	Insurance and Risk Management				
$ 164,400		(a) Salaries	$ 166,500	$ 158,300	$ 8,200	
12,300		(b) Other Expenditures	13,500	12,800	700	
1,867,500		(c) Insurance Premiums	1,532,000	1,307,400	224,600	6
(952,500)		(d) Less: Recoveries from Other Appropriations	(770,200)	(481,000)	(289,200)	7
$ 1,091,700	Total 07-6		$ 941,800	$ 997,500	$ (55,700)	
	07-7	Treasury Board Secretariat				
$ 2,335,800		(a) Salaries	$ 2,180,700	$ 2,051,500	$ 129,200	
315,600		(b) Other Expenditures	248,000	279,500	(31,500)	
$ 2,651,400	Total 07-7		$ 2,428,700	$ 2,331,000	$ 97,700	
$251,000,000	07-8	Tax Credit Payments	$247,112,200	$248,330,400	$ (1,218,200)	8

6. The increase resulted from minor increases in the premiums for certain coverages. The primary General Liability policy was transferred to the private sector when the Manitoba Public Insurance Corporation sold its General Insurance Division which resulted in a higher premium for this coverage. Fees paid to the Manitoba Risk Management Consortium are also included.

7. The increase in recoveries is directly related to the increase in the premiums for coverage for which the departments are responsible.

8. Tax Credit Payments decreased by $1.2 million from 1989/90 due to a $1.1 million Cost of Living Tax Credit expenditure decrease and a $500,000 decrease in the Political Contributions Tax Credit as a result of reduced actual requirements. However, these reductions were partially offset by a $200,000 increase for the Property Tax Credit and a $200,000 increase in Pensioners School Tax Assistance Payments.

Department of Finance

Expenditure Summary

for fiscal year ended March 31, 1991
with comparative figures for the previous fiscal year

Estimate 1990/91		Appropriation	Actual 1990/91	Actual 1989/90	Increase (Decrease)	Explanation Number
	07-9	Public Debt (Statutory)				
$ 1,112,600,000		(a) Interest on the Public Debt of the Province and Expenses Incidental thereto	$1,123,918,100	$1,068,578,100	$ 55,340,000	
149,900,000		Interest on Trust and Special Funds	164,456,700	127,732,500	36,724,200	
		(b) Less: Amounts of Interest and Other Charges Receivable from:				
(61,100,000)		Manitoba Telephone System	(63,012,600)	(56,789,300)	(6,223,300)	
(265,700,000)		Manitoba Hydro	(285,557,900)	(267,012,200)	(18,545,700)	
(45,800,000)		Manitoba Housing and Renewal Corporation	(45,403,600)	(44,687,800)	(715,800)	
(25,800,000)		Manitoba Agricultural Credit Corporation	(25,933,900)	(24,433,100)	(1,500,800)	
(6,800,000)		Other Government Agencies	(6,794,000)	(5,221,300)	(1,572,700)	
(189,700,000)		Other Loans and Investments	(228,435,200)	(225,039,700)	(3,395,500)	
(192,000,000)		Sinking Fund Investments	(196,190,500)	(148,705,700)	(47,484,800)	
$ 475,600,000	Total 07-9		$ 437,047,100	$ 424,421,500	$ 12,625,600	9

9. Actual expenditures to March 31, 1991 increased by $12.6 million from March 31, 1990. The major factor contributing to this increase is interest expense on additional long-term financing.

   Interest expense on public debt resulted in a net increase of $64.0 million. An increase in the amount and mix of new Provincial borrowing increased expenditures by $64.6 million, net of interest reduction on maturities. Interest on floating rate debt increased by $1.3 million due to a combination of higher Canadian interest rates and lower U.S. interest rates. These increases in interest were partially offset by a $2.3 million decrease due to favourable foreign currency levels, particularly the U.S. dollar.

9. (Continued)

Interest recovered from advances to Crown Corporations, including service charge recoveries, increased by $26.5 million. Of this total, $17.4 million partially offsets the increase in interest expense on long-term financing for 1990/91, since it pertains to refunding of self-sustaining debt issued on behalf of Manitoba Telephone System. The balance is due to an increase in the interest rate charged on advances and an increase in the rate charged on service charges.

Earnings from investments including the Cash Management Program and the Provincial Sinking Fund resulted in a net increase of $15.0 million. Provincial Sinking Fund earnings increased by $47.5 million primarily due to an increase in cash balances from the March 31, 1990 allocation to this fund. Earnings from miscellaneous investments increased by $3.7 million. These increases in earnings were partially offset by a $36.2 million decrease in earnings from the Cash Management Program which was mainly due to a decrease in cash available for investment. The decrease in cash was largely the result of the Province not incorporating into its borrowing program various transactions relating to changes in government accounting policies.

Premiums on four Japanese Yen issues called prior to maturity in 1989/90 which are not applicable in 1990/91 decreased costs by $5.0 million. Final year principal maturity costs and amortization of foreign exchange fluctuations decreased costs by $3.6 million.

Department of Finance

Expenditure Summary

for fiscal year ended March 31, 1991
with comparative figures for the previous fiscal year

Estimate 1990/91	Appropriation	Actual 1990/91	Actual 1989/90	Increase (Decrease)	Explanation Number
$ 1,300,000	07-10 Expenditures Related to Capital (a) Acquisition/Construction of Physical Assets	$ 1,300,000	$ 363,300	$ 936,700	10
	07-11 Unbudgeted Statutory Payments	1,600	1,880,000	(1,878,400)	11
$ 749,657,600	Total Expenditures	$ 706,044,300	$ 694,607,500	$ 11,436,800	

10. The increased expenditure for physical assets reflects the progressive installation of equipment purchased for the Legislative Building Information System under the Wang/Manitoba Strategic Investment Agreement.

11. The Queen's Bench Court ordered the Government to pay to a plaintiff the sum of $1,000 and costs in a suit under the Retail Sales Tax Act in 1990/91. The major reason for the decrease was a $1.8 million payment to an individual in 1989/90 who had sustained injuries in a highway traffic accident.

Department of Finance

Revenue Summary by Source

for fiscal year ended March 31, 1991
with comparative figures for the previous fiscal year

Actual 1989/90 $	Actual 1990/91 $	Increase (Decrease) $	Source	1990/91 Actual $	1990/91 Estimate $	Variance Over(Under) $	Expl. No.
			CURRENT OPERATING PROGRAMS:				
			TAXATION				
152,327,300	78,442,600	(73,884,700)	Corporation Income Tax	78,442,600	173,000,000	(94,557,400)	1
1,031,093,700	1,149,447,300	118,353,600	Individual Income Tax	1,149,447,300	1,127,700,000	21,747,300	2
72,524,700	75,426,000	2,901,300	Corporation Capital Tax	75,426,000	76,500,000	(1,074,000)	3
126,023,200	124,925,300	(1,097,900)	Gasoline Tax	124,925,300	126,500,000	(1,574,700)	4
191,267,700	186,486,800	(4,780,900)	Levy for Health and Education	186,486,800	180,000,000	6,486,800	5
58,500	90,200	31,700	Succession Duty and Gift Tax	90,200	90,300	(100)	
71,200	82,400	11,200	Mining Claim Lease Tax	82,400	76,500	5,900	
115,485,600	48,738,200	(66,747,400)	Mining Tax	48,738,200	43,500,000	5,238,200	6
65,002,600	61,872,900	(3,129,700)	Motive Fuel Tax	61,872,900	62,500,000	(627,100)	7
4,916,800	4,871,900	(44,900)	Pari Mutuel Tax	4,871,900	5,000,000	(128,100)	
621,730,400	605,952,300	(15,778,100)	Retail Sales Tax	605,952,300	630,000,000	(24,047,700)	8
48,156,700	50,109,100	1,952,400	Revenue Act, 1964, Part I	50,109,100	49,500,000	609,100	9
116,854,900	116,109,200	(745,700)	Tobacco Tax	116,109,200	113,000,000	3,109,200	10
0	300	300	Mineral Acreage Tax	300	0	300	
14,890,000	9,977,500	(4,912,500)	Reciprocal Taxation Agreement	9,977,500	12,000,000	(2,022,500)	11
975,900	1,430,000	454,100	Environmental Protection Tax	1,430,000	1,800,000	(370,000)	12
2,561,379,200	2,513,962,000	(47,417,200)	Sub-Total	2,513,962,000	2,601,166,800	(87,204,800)	

Department of Finance

Revenue Summary by Source (cont'd)

for fiscal year ended March 31, 1991
with comparative figures for the previous fiscal year

Actual 1989/90 $	Actual 1990/91 $	Increase (Decrease) $	Source	1990/91 Actual $	1990/91 Estimate $	Variance Over(Under) $	Expl. No.
			OTHER REVENUE:				
11,694,100	17,040,500	5,346,400	Refund of Prior Years' Expenditures	17,040,500	15,902,200	1,138,300	13
709,800	392,800	(317,000)	Sundry Revenue	392,800	100,000	292,800	14
12,403,900	17,433,300	5,029,400	Sub-Total	17,433,300	16,002,200	1,431,100	
			GOVERNMENT OF CANADA:				
909,727,000	970,344,000	60,617,000	Equalization	970,344,000	895,900,000	74,444,000	15
430,832,000	406,229,000	(24,603,000)	Established Programs Cash Transfer	406,229,000	427,300,000	(21,071,000)	16
2,216,400	2,217,600	1,200	Government of Canada Subsidy	2,217,600	2,200,000	17,600	
1,342,775,400	1,378,790,600	36,015,200	Sub-Total	1,378,790,600	1,325,400,000	53,390,600	
3,916,558,500	3,910,185,900	(6,372,600)	Total Current Operating Programs	3,910,185,900	3,942,569,000	(32,383,100)	

Department of Finance

Revenue Summary by Source (cont'd)

for fiscal year ended March 31, 1991
with comparative figures for the previous fiscal year

EXPLANATION NUMBERS

1. Corporation Income Tax

- ($94,557,400) Under 1990/91 Estimate. The decrease from budget projection was due to a combination of two factors:

i) the current year advance payments were reduced as the federal government revised downward their estimates of 1990 and 1991 corporate profits and corporate taxable income.

ii) actual 1989 Tax Year assessments for Manitoba fell $62.2 million below the amount advanced by the federal government for that taxation year, resulting in a negative prior years' adjustment.

Advance payments from the federal government for a tax year are based on their estimate of national corporate taxable income and the most recent provincial shares of actual assessed returns for a tax year. Adjustments are made on the basis of actual assessments for a province for each particular year.

- ($73,884,700) Decrease from 1989/90 Actual. The decrease was due to a combination of two factors:

i) the current year advance payments were reduced as the federal government revised downward their estimates of 1990 and 1991 corporate profits and corporate taxable income.

ii) actual 1989 Tax Year assessments for Manitoba fell $62.2 million below the amount advanced by the federal government for that taxation year, resulting in a negative prior years' adjustment greater than the negative prior years' adjustment in 1989/90.

Advance payments from the federal government for a tax year are based on their estimate of national corporate taxable income and the most recent provincial shares of actual assessed returns for a tax year. Adjustments are made on the basis of actual assessments for a province for each particular tax year.

2. Individual Income Tax

- $21,747,300 over 1990/91 Estimate. The increase from budget projection was due primarily to an increase of $19.4 million in current year advance payments from the federal government. A modest positive prior years' adjustment occurred rather than the modest negative adjustment forecast in the budget projection.

Advance payments from the federal government for a tax year are based on their estimate of national basic tax and the most recent provincial shares of actual assessed returns for a tax year, plus provincial estimates of the provincial income tax surtax, and reductions and credits. Adjustments are made on the basis of actual assessments for a province for each particular tax year.

EXPLANATION NUMBERS

- $118,353,600 Increase over 1989/90 Actual. The increase was due primarily to an increase of $98.5 million in current year advance payments from the federal government. A modest positive prior years' adjustment occurred rather than the negative adjustment of $18.9 million in 1989/90.

Advance payments from the federal government for a tax year are based on their estimate of national basic tax and the most recent provincial shares of actual assessed returns for a tax year, plus provincial estimates of the provincial income tax surtax, and reductions and credits. Adjustments are made on the basis of actual assessments for a province for each particular tax year.

3. Corporation Capital Tax

- ($1,074,000) Under 1990/91 Estimate. Budget based on growth in previous year. Recessionary effects dampened growth.

- $2,901,300 Increase over 1989/90 Actual. Unanticipated increase in debt and equity financing on which the tax is based.

4. Gasoline Tax

- ($1,574,700) Under 1990/91 Estimate. Unanticipated drop in sales of leaded gas to almost "Nil" after June, 1990, although the product was not taken off the market until December 31, 1990.

- ($1,097,900) Decrease from 1989/90 Actual. Decrease in Motor Gas volumes and Aviation Gas volumes. Decrease in Leaded Gas Surtax due to phase out program and impact of full year application of September 5, 1989 tax increase.

5. Levy for Health & Education

- $6,486,800 Over 1990/91 Estimate. Effect of raising the exemption level not as large as originally anticipated.

- ($4,780,900) Decrease from 1989/90 Actual. Exemption level raised effective January 1, 1990.

6. Mining Tax

- $5,238,200 Over 1990/91 Estimate. Price drop not as large as original estimate by industry.

- ($66,747,400) Decrease from 1989/90 Actual. Average nickel price reduction from $6.27/lb. to $3.83/lb. and a production decrease of 10%.

Department of Finance

Revenue Summary by Source (cont'd)

for fiscal year ended March 31, 1991
with comparative figures for the previous fiscal year

EXPLANATION NUMBERS

7. Motive Fuel Tax

- ($3,129,700) Decrease from 1989/90 Actual. Decrease in volume of Motive Fuel sold reduced by Bunker tax increase September 5, 1989 - 2.4 cents/litre - 9.9 cents/litre.

8. Retail Sales Tax

- ($24,047,700) Under 1990/91 Estimate. Effect of recession and cross-border shopping greater than anticipated.

- ($15,778,100) Decrease from 1989/90 Actual. Provincial independent of GST; reduction in tax on liquor from 12% - 7%; drop in disposable income as a result of GST; effects of recession and cross-border shopping.

9. Revenue Act, 1964, Part I

- $609,100 Over 1990/91 Estimate. This tax is remitted by utility companies and coal dealers. The increased revenue is due mainly to increased electricity and natural gas used for air conditioning and heating respectively due to the comparatively hotter summer and colder winter than anticipated.

- $1,952,400 Increase over 1989/90 Actual. ICG rates increased on January 1, 1990 and June 19, 1990 by 10% and by 7.7% respectively.

10. Tobacco Tax

- $3,109,200 Over 1990/91 Estimate. Cigarette sales did not follow pattern of recent years and decline as much as anticipated.

11. Reciprocal Taxation Agreement

- ($2,022,500) Under 1990/91 Estimate. The decline is due to lower federal purchases in the Province of Manitoba.

- ($4,912,500) Decreased from 1989/90 Actual. The decline is due primarily to the termination of the Reciprocal Taxation Agreement on January 1, 1991 concurrent with the implementation of the GST.

Department of Finance

Revenue Summary by Source (cont'd)

for fiscal year ended March 31, 1991
with comparative figures for the previous fiscal year

EXPLANATION NUMBERS

12. Environmental Protection Tax

- ($370,000) Under 1990/91 Estimate. Sales of liquor on which tax was based were lower than anticipated. The tax is restricted to containers for which a deposit/return system was not in place.

- $454,100 Increase over 1989/90 Actual. Represents a full year's application of the tax which became effective on August 1, 1989.

13. Refund of Prior Years' Expenditures

- $1,138,300 Over 1990/91 Estimate. Represents consolidated government department receipts related to refunds of expenditures recorded in previous years that cannot be credited to the current years' appropriations pursuant to Section 22(3) of The Financial Administration Act.

- $5,346,400 Increase over 1989/90 Actual. The favourable foreign exchange rates on Energy Rate Stabilization Act (ERSA) transactions generated refunds of $14,951,582 in 1990/91 and $9,541,626 in 1989/90. This is related to the recovery of previously accrued amortization of U.S. Dollars currency fluctuations under the Hydro Rate Stabilization program which was terminated April 1, 1989.

14. Sundry Revenue

- $292,800 Over 1990/91 Estimate. Redeposit of stale-dated cheques issued prior to, and including, December 31, 1989 totalled $238,712. Insurance claim recoveries, a deposit under the ESCHEATS Act of Manitoba and a final Excise Tax refund, accounted for the difference.

- ($317,000) Decrease from 1989/90 Actual. Insurance claim recoveries of $188,303 received in 1989/90. Estates surrendered to the Crown $50,432 and stale dated cheques redeposited in 1989/90 were $66,567 greater than 1990/91.

15. Equalization

- $74,444,000 Over 1990/91 Estimate. The increase in payments from the budget projection was due to a combination of:

i) an increase in current year payments of $48.0 million, and

ii) $45.4 million in positive prior years' adjustments which exceeded the positive prior years' adjustments estimated in the budget by $26.4 million.

EXPLANATION NUMBERS

Much of the change in equalization payments as compared to the budget estimate is due to the effect of lower corporate income tax assessments for the 1989 Tax Year.

Equalization entitlements are estimated based on data with respect to provincial revenues and to relative provincial fiscal capacity as measured by 36 tax base calculations. Entitlements are revised and payments altered on the basis of current data updating provincial revenue and tax base.

- $60,617,000 Increase over 1989/90 Actual. The increase in payments from last year was due to a combination of:

i) an increase in current year payments of $92.3 million, and

ii) $45.4 million in positive prior years' adjustments which was $31.7 million less than the positive prior years' of $77.1 million received in 1989/90.

Equalization entitlements are estimated based on data with respect to provincial revenues and to relative provincial fiscal capacity as measured by 36 tax base calculations. Entitlements are revised and payments altered on the basis of current data updating provincial revenue and tax base.

16. Established Programs Cash Transfer

- ($21,071,000) Under 1990/91 Estimate. The decrease from budget projection was due to a combination of a decrease in current year advance payments and larger than budgeted prior years' adjustments. A significant factor in these adjustments was that the value of equalized personal income tax points included in the formula was larger than initially estimated by the federal government.

Entitlements were projected from a per capita base escalated by growth in population from which is deducted the value of 13.5 equalized personal income tax points and 1.0 equalized corporate income tax point. Entitlements and payments are recalculated as revisions to GNP, provincial population and the value of the equalized tax points become available.

- ($24,603,000) Decrease from 1989/90 Actual. The decrease last year was due to a combination of a decrease in current year advance payments partially offset by a smaller negative prior years' adjustment.

Entitlements are projected from a per capita base escalated by growth in population from which is deducted the value of 13.5 equalized personal income tax points and 1.0 equalized corporate income tax point. The growth in the value of the tax points in the formula reduced cash payments. Entitlements and payments are recalculated as revisions to GNP, provincial population and the value of the equalized tax points become available.

Department of Finance

Five Year Expenditure and Staffing Summary by Appropriation ($00'

for years ending March 31, 1987 - March 31, 1991

Actual / Adjusted (*) Expenditures

Appropriation	1986-87 SY	1986-87 $	1987-88 SY	1987-88 $	1988-89 SY	1988-89 $	1989-90* SY	1989-90* $	1990-91 SY	1990-91 $
07-1 Administration and Finance	20.29	857.8	19.32	841.2	18.17	858.0	19.37	949.0	18.38	936.3
07-2 Treasury Division	19.15	955.1	22.16	1,078.5	21.01	1,278.2	23.12	1,346.6	24.31	1,459.5
07-3 Comptroller's Division	94.21	3,364.4	96.42	3,628.4	94.18	4,354.1	95.02	3,980.1	94.08	4,602.6
07-4 Taxation Division	191.34	7,482.0	192.45	7,850.7	189.36	8,234.4	183.26	8,612.6	182.09	8,882.8
07-5 Federal-Provincial Relations and Research Division	27.30	1,324.6	29.38	1,404.4	30.37	1,476.3	28.04	1,395.5	26.22	1,331.7
07-6 Insurance and Risk Management	7.13	1,064.5	4.00	938.7	3.45	932.0	4.20	997.5	4.01	941.8
07-7 Treasury Board Secretariat	23.21	1,064.8	29.08	1,555.8	33.28	1,960.6	43.21	2,331.0	34.05	2,428.7
Total Departmental Operating Expenditures	384.07	16,113.2	394.25	17,297.7	391.26	19,093.6	397.18	19,612.3	384.10	20,583.4
07-8 Tax Credit Payments		205,331.1		209,525.6		236,082.4		248,330.4		247,112.2
07-9 Public Debt (Statutory)		351,484.2		430,708.6		375,194.5		424,421.5		437,047.1
07-10 Hydro Rates Stabilization (Statutory)		70,039.5		52,677.1		44,065.9		-		-
07-11 Expenditures Related to Capital		-		-		-		363.3		1,300.0
07-12 Judgments and Other Statutory Appropriations		10,440.9		404.8		49.3		1,880.0		1.6
Local Government General Support Grants		13,866.6 (1)		-		-		-		
Departmental Total	384.07	667,275.5	394.25	710,613.8	391.26	674,485.7	397.18	694,607.5	384.10	706,044.3

(1) Responsibility transferred to other departments.